



REFERRAL REPORT

Report Date: January 31, 2022
Contact: Chris Robertson
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RTS No.: 14969
VanRIMS No.: 08-2000-20
Meeting Date: March 1, 2022

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Regulating Self-Storage Uses in Industrial Districts

RECOMMENDATION TO REFER

THAT the General Manager of Planning, Urban Design and Sustainability be instructed to bring forward the application as described below and that the application be referred to Public Hearing together with the recommendations set out below;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary Zoning and Development By-law amendments, in accordance with the recommendations set out below, for consideration at the Public Hearing.

RECOMMENDATION FOR PUBLIC HEARING

- A. THAT Council approves, in principle, the application to amend Section 11 of the Zoning and Development By-law as described below, to remove Mini-Storage Warehouse as a permitted use:
- (i) on the first storey in the I and M Districts Schedules; and
 - (ii) near rapid transit stations in the I-1, I-2 and IC-2 District Schedules;

FURTHER THAT the Director of Legal Services be instructed to bring forward for enactment an amendment to the Zoning and Development By-law generally as presented in Appendix A.

- B. THAT at the time of enactment of the amended Zoning and Development By-law, the General Manager of Planning, Urban Design and Sustainability be instructed to bring forward for approval the updated Mini-Storage Warehouse Guidelines, generally in accordance with Appendix B.

- C. THAT Recommendations A through C be adopted on the following conditions:
- (i) THAT passage of the above resolutions creates no legal rights for any person, or obligation on the part of the City and any expenditure of funds or incurring of costs is at the risk of the person making the expenditure or incurring the cost;
 - (ii) THAT any approval that may be granted following the public hearing shall not obligate the City to enact any rezoning by-laws; and
 - (iii) THAT the City and all its officials, including the Approving Officer, shall not in any way be limited or directed in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

In July 2019, Council directed staff to investigate restrictions on self-storage uses to support employment intensification in industrial areas. Through the City's Employment Lands and Economy Review and the Metro Vancouver Industrial Lands Strategy work, staff have confirmed the need to intensify activity in industrial areas to meet demand and reduce pressure on price escalation. This work has also confirmed that the continued construction of stand-alone self-storage facilities poses a threat to intensification in industrial areas. Following consultation with other cities, self-storage operators and industry experts, as well as analysis of development activity in the city, this report proposes amendments to the Zoning and Development By-law and the Mini-Storage Warehouse Guidelines in response to Council direction to:

- continue to allow storage warehouse uses for commercial operations;
- restrict self-storage uses to upper floors in industrial areas; and
- remove self-storage as a permitted use in industrial areas in close proximity to rapid transit stations.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Vancouver Plan Update and Quick Start Actions (July 2021)
- Employment Lands and Economy Review (2020)
- Metro Vancouver Regional Industrial Lands Strategy (2020) – *endorsed by Council November 16, 2021*
- Council Motion: Accelerating Action on Industrial Affordability (2019)
- Healthy City Strategy 2014-2025 (2014)
- Regional Context Statement Official Development Plan (2013)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

In July 2019, Council, as part of a comprehensive motion on *Accelerating Action on Industrial Affordability*, directed staff to:

...explore the impact of and report back on options for freezing development applications for self-storage, car dealerships and other non-industrial uses currently permitted in industrial districts as soon as possible, giving consideration to whether these uses are displacing higher-productivity and more job-intensive industrial operations...

Recent research and engagement by PDS, complemented by previous work undertaken by the Vancouver Economic Commission (VEC), highlights the potential risk that stand-alone self-storage facilities pose to the intensification of economic activity in Vancouver's industrial areas and the need to ensure intensity to meet long-term demand and reduce upward pressure on price. Staff also note that self-storage facilities play an important role in meeting rising demand for storage, for both residents and business operators. The recommendations included in this report, were informed with input from the Urban Manufacturing Alliance, representatives from the City of San Francisco, the City of Miami, industry advocates from the city of New York, and local industry stakeholders, including operators, developers and brokers. An overview of the self-storage development pipeline and long-term potential demand is provided in Appendix C.

In July 2021, as part of an update on the Vancouver Plan process, Council received a status update from staff on the emerging approach for regulating self-storage in industrial areas (RTS: 14517). The recommended approach and rationale is provided in Table 1 below.

Table 1: A Balanced Approach for Regulating Self-Storage in Industrial Areas

Location	Restriction	Rationale
Industrial Zoning Districts (I and M zones)	Remove Mini-Storage Warehouse as a permitted use on the ground floor	Allows operators to meet rising demand while reserving the ground floor for more employment intensive activities.
Within Close Proximity to rapid transit Stations	Remove Mini-Storage Warehouse as a permitted use	Encourages intensive employment uses throughout the entire building in transit-oriented locations

Strategic Analysis

Zoning and Development By-Law Definitions

The Zoning and Development By-law has definitions for two different types of storage uses: Storage Warehouse and Mini-Storage Warehouse (Table 2).

Table 2: City of Vancouver Storage Warehouse and Mini-Storage Warehouse Definitions

Use Name	Definition
Storage Warehouse	The use of a wholly enclosed building, or portion thereof, for the storage of goods, material, machinery, or equipment.
Mini-Storage Warehouse	The use of a wholly enclosed building for the storage of personal property in self-contained, self-storage units, each of which units has separate and exclusive access from either the exterior or interior of the building.

Source: City of Vancouver, Zoning and Development By-law: Section 2, April 2021

The *Storage Warehouse* use is intended for commercial activity. Storage warehouses are used by a range of enterprises such as moving companies, wholesalers, logistics companies, distributors, waste haulers, landscaping businesses, renovation contractors and retail product distributors. These activities are important to business operations and the health and resilience of the city's economy overall. Storage Warehouse use is permitted in many of Vancouver's industrial areas and staff is not recommending any restrictions on this use at this time.

Proposed Amendments – Mini-Storage Warehouse

Staff are recommending a balanced approach to restricting Mini-Storage Warehouse Use in industrial areas.

- a. Remove Mini-Storage Warehouse as a permitted use on the first storey in the I and M District Schedules;

A change to Section 11 of the Zoning and Development By-law is proposed to remove Mini-Storage Warehouse as a permitted use on the first storey in the I and M Districts Schedules.

- b. Remove Mini-Storage Warehouse as a permitted use within close proximity of rapid transit stations.

Further changes to Section 11 of the Zoning and Development By-law are proposed to specify areas under the I-1, I-2 and IC-2 District Schedules wherein Mini-Storage Warehouse will no longer be a permitted use. These areas are generally within 400m (5 minute walk) of an existing rapid transit station and stations that are planned as part of Phase 1 of the Broadway Subway extension of the Millennium Line currently under construction.

- c. Updates to Policy Guidelines:

The Mini-Storage Warehouse Guidelines document is primarily intended to improve the design of these typically large industrial style buildings in central city contexts or in other prominent locations along major arterials. The proposed updates in this report will amend the intent section and add maps and descriptions of where mini-storage is not allowed near rapid transit stations. These changes are outlined in Appendix B.

Financial Implications

The amendments to the Zoning and Development By-law proposed in this report do not affect the total allowable floor space on the relevant sites and do not impact the methodology or rates related to potential development contributions of those sites.

CONCLUSION

Adoption of the proposed amendments in this report would continue to allow for new self-storage facilities to be built in the city while ensuring opportunities for more intensive employment in industrial areas. These proposed changes have been carefully considered to balance the intent of Council's direction and regulations in the city's industrial districts while not adding to the processing time for both the applicants and City staff.

* * * * *

Note: Amendments to Council-adopted guidelines will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

*Proposed amendments are shown in red and insertions in italics.

DRAFT amendments to the Mini-storage Warehouse Guidelines

Guidelines

Mini-Storage Warehouse Guidelines Document

[Applicable to CD 1 (452) By-law Number 9410 for 3585 Grandview Highway, and CD 1 (470) By-law Number 9693 for 2900 East Broadway]

Approved by Council April 20, 2004

Last amended December 12, 2006 and July 8, 2008

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Background and Context

These guidelines are to be used in conjunction with CD-1 (452) By-law Number 9410 for 3585 Grandview Highway, CD-1 (470) By-law Number 9693 for 2900 East Broadway, and Section 11 and those district schedules of the Zoning and Development By-law which conditionally permit Mini-Storage Warehouse, and should be consulted in seeking consideration for this use.

These guidelines are intended to improve the design of these typically large, industrial style buildings in central city contexts or in other prominent locations along major arterials. While providing general guidance in all situations, these guidelines are not intended to be applied in a comprehensive way in less prominent locations in outlying industrial areas.

There are two parts to these guidelines to be considered for conditional approval of development applications, 1) Design Guideline Criteria, and 2) Direction on Locational Restrictions in the I and M District Schedules.

1) Design Guideline Criteria

This section of the Guidelines is intended to *provide design criteria for mini-storage warehouse buildings* to improve the design of these typically large industrial style buildings, in central city contexts or in other prominent locations along major arterials. While providing general guidance in all situations, these guidelines are not intended to be applied in a comprehensive way in less prominent locations in outlying industrial areas.

2) Direction on Locational Restrictions in the I and M District Schedules.

The second part of the Guidelines provide clarity on the regulations described in Section 11 of the Zoning and Development By-Law that restrict mini-storage warehouse from the ground floor and regulates the locations of where mini-storage warehouse is permitted in the I and M districts schedules.

~~Mini-storage warehouse is a conditional use in all industrial, and some commercial and historic districts and therefore this use could locate in a variety of urban contexts. These guidelines are intended to address two basic urban contexts current or potential future pedestrian oriented areas, or major arterial locations. For those sites deemed by the Director of Planning to be in a central city context with current or potential future pedestrian orientation, or sites located on a major arterial, the following should be considered:~~

Guidelines

1 General Design Considerations

Mini-storage warehouse is a conditional use in all industrial, and some commercial and historic districts and can be located in a variety of urban contexts. These guidelines are intended to address two basic urban contexts; current or potential future pedestrian oriented areas, or major arterial locations. For those sites deemed by the Director of Planning to be in a central city context with current or potential future pedestrian orientation, or sites located on a major arterial, the following should be considered:

1.1 Street Character

- (a) All developments should incorporate along all abutting streets a combination of display windows, individualized tenancy unit design, landscaping, building articulation, pedestrian entrance definition via a recess or projecting canopy, or any other architectural features which facilitate pedestrian interest, to the satisfaction of the Director of Planning.

1.2 Orientation

- (a) Where a building occupies a corner site, facade articulation, architectural features, lighting, and related facade elements should be incorporated so as to orient the building to the corner and the widest abutting street, or as otherwise determined by the Director of Planning.

2 Guidelines Pertaining to the Regulation of the Zoning and Development Bylaw and the Parking By-law

2.1 Location

- (a) *Mini-storage warehouse use is not permitted in the areas as illustrated in the Appendix in Map A, Map B, Map C, and Map D.*

2.2 Frontage

- (a) General “big box” designs that exhibit little facade interest and transparency to the street are not acceptable.
- (b) Building articulation can be achieved by utilizing a variety of architectural design elements, including expression of the building’s functional components or modules, glazing, canopy and shading systems, and architectural features.
- (c) The first storey floor level should be as close as possible to street grade. No portion of the floor of the first storey along an abutting street should be more than 1.0 m above or below grade at the street property line.
- (d) *Mini-storage warehouse use is not permitted on the first storey in all I and M districts, except for entrances.*

2.3 Front Yard and Side Yards (and setbacks)

- (a) A front and side yard or other setbacks may be required by the Director of Planning to permit additional landscaping or architectural features.

2.4 Off street Parking and Loading

- (a) Garbage storage areas and pick up areas and off-street parking and loading facilities should be located at the rear of the property, and enclosed or screened to the satisfaction of the Director of Planning.

3 Architectural Components

3.1 Roofs and Chimneys

- (a) Rooftop mechanical systems, and other appurtenances should be carefully integrated into the building's architectural expression.

3.2 Windows and Skylights

- (a) Transparent window area with clear glass should be maximized on the exterior wall surface of the first storey along each abutting street (50% of exterior wall area is the objective). The exterior wall surface on every upper storey along each abutting street should also incorporate clear glass window area to assist in breaking up blank walls.

3.3 Entrances, Stairs and Porches

- (a) The first storey should include the main pedestrian entrance, lobby or reception area and should be designed and oriented to achieve maximum visibility to the abutting street, or, in the case of a corner site, to the corner or the widest abutting street, or as otherwise determined by the Director of Planning.
- (b) Vertical service elements, such as stairs and elevators should be located to the perimeter of the building to assist in building articulation, as well as to express their function.

3.4 Exterior Walls and Finishing

- (a) Provision of high quality exterior materials and detailing, particularly at the pedestrian level is encouraged.

4 Landscaping

4.1 Streetscape

- (a) Landscaping should be provided on site, where appropriate, to improve the appearance and amenity of the development from the street and lane.
- (b) Street trees and proper sidewalk treatment may also be required, to the satisfaction of the Park Board and the General Manager of Engineering Services.

Appendix

The maps illustrate where mini-storage warehouse is not permitted near rapid transit stations in I and M districts schedules. These maps are intended to be used in conjunction with the regulations for mini-storage warehouse described in Section 11 of the Zoning and Development By-Law. The regulations illustrated in Maps A, B, C and D do not apply to sites zoned CD-1. Please refer to applicable rezoning policy for rezoning applications.

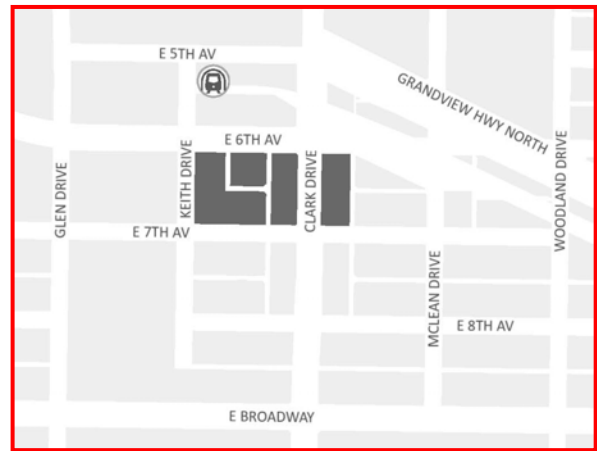
Map A: Olympic Village Station, Broadway-City Hall Station, and Main Street-Science World Station





Map B: VCC Clark Station



Map C: Marine Drive Station



LEGEND

-  Mini-storage warehouse not permitted
-  Rapid transit station

Map D: Rupert and Renfrew Stations



LEGEND

- Mini-storage warehouse not permitted
- 🚊 Rapid transit station

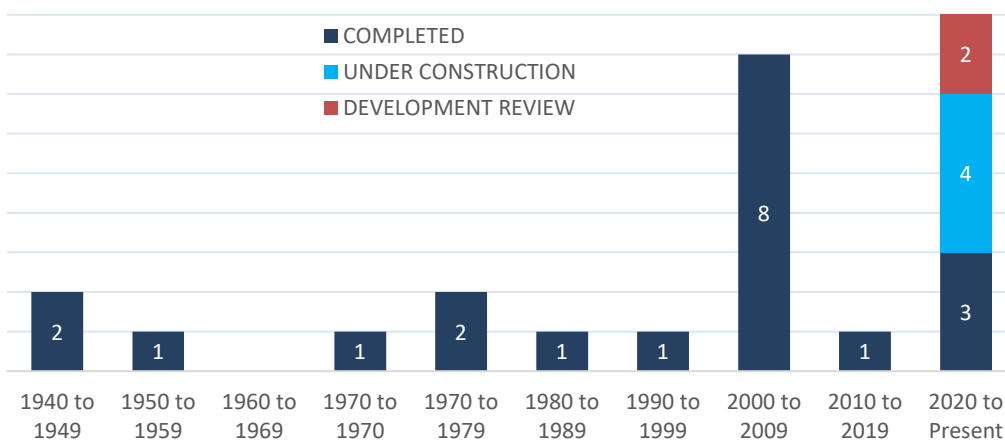
Supplemental Information Supporting Proposed Amendments to Zoning and Development By-law and Mini-Storage Warehouse Guidelines to Regulate Self-Storage Uses in Industrial Districts

Development Analysis

Staff undertook an analysis of the current development pipeline in the City of Vancouver in arriving at the regulatory amendments in this report. This analysis revealed that demand for self-storage facilities is growing as more households look to store goods away from their homes and businesses seek flexible storage alternatives for equipment and inventory. The development of self-storage has seen a recent increase in activity as the industry looks to capitalize on a long term growth outlook in demand and strong rental rates.

Between 2017 and 2018, city-wide, eight new self-storage projects entered the permitting process. In the last 18 months, three self-storage projects were completed, four are currently under construction, and two more projects are in the development permit process (Figure 1). Of the nine projects in 2021, two are within 1 km of a rapid transit station.

Figure 1: Development Activity for Self-Storage in the City of Vancouver



Source: City of Vancouver Permit Data, June 2021.

Vancouver has less self-storage space per capita than other North American cities and demand for new facilities is expected to continue in response to both increasing residential population and increasing growth amongst small businesses who also use these facilities (Table A).

Table A: Self-Storage per Capita in Vancouver, Canada and the USA

Area	Square Feet of Self-Storage Space per Capita
Vancouver	2.5
Canada	3
USA	7 - 8

Source: Colliers Vancouver Self-Storage Report – April 2021, Industry Experts