



## REFERRAL REPORT

Report Date: October 31, 2023  
Contact: Chris Robertson  
Contact No.: 604.873.7684  
RTS No.: 15770  
VanRIMS No.: 08-2000-20  
Meeting Date: November 14, 2023

TO: Vancouver City Council  
FROM: General Manager of Planning, Urban Design and Sustainability  
SUBJECT: Industrial Modernization and Intensification Framework – Amendments to the Zoning and Development By-law

### RECOMMENDATION TO REFER

THAT the General Manager of Planning, Urban Design and Sustainability be instructed to bring forward the applications as described below and that the applications 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 approve, in principle, an application to amend the Zoning and Development By-law to facilitate industrial modernization and intensification generally as presented in Appendix A;

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

- B. THAT Recommendation A 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.

### **Purpose and Executive Summary**

This report recommends amendments to the Zoning and Development By-law to support the implementation of the Vancouver Plan and the City’s Employment Lands and Economy Review. The recommendations in this report seek to:

- Improve flexibility and modernize permitted uses,
- Remove barriers and encourage the provision of artist studio - class B to provide more opportunities for artists in industrial areas, and
- Align regulations, remove outdated clauses and correct unintended errors.

### **Council Authority/Previous Decisions**

- [Employment Lands and Economy Review Phase 2 Report](#) (2020)
- [Vancouver Plan](#) (2022)
- Council Motion: [Industrial Modernization and Intensification Framework Development Process Update](#) (2023)
- [Making Space for Arts and Culture](#) (2019)

### **City Manager’s Comments**

The City Manager concurs with the foregoing recommendations.

## **REPORT**

### **Policy Context and Background**

The Employment Lands and Economy Review (“ELER”) was a comprehensive research and engagement process undertaken to inform the City’s economic policies and provide input to land use planning. In alignment with the Metro Vancouver Regional Industrial Lands Strategy (endorsed by Council in October 2020), the ELER identified a framework for the protection and development of Vancouver’s industrial areas as summarized below:

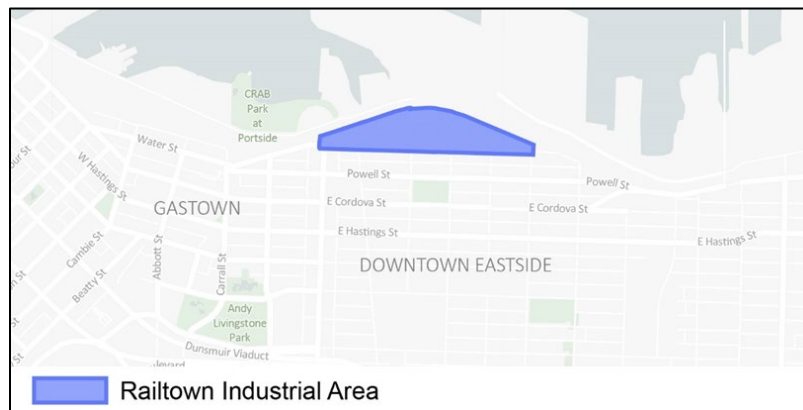
1. Protect Industrial Lands for employment use
2. Increase supply by enabling balanced intensification
3. Simplify rules and maintain diversity in industrial areas
4. Monitor to ensure regulations meet needs over time

The Industrial Modernization and Intensification Framework was foundational to the Vancouver Plan which was approved by Council in July of 2022.

In January 2023 Council approved the Mayor’s Motion on an Industrial Modernization and Intensification Framework Development Process Update. In response to this motion, this report proposes amendments to the Zoning and Development By-law to improve flexibility and modernize the City’s regulations as well as encourages the provision of artist studio - class B.

In conjunction with these amendments, a companion report (RTS 15772) also provides Council with:

- An update on market conditions and engagement work,
- An overview of the actions the City is taking to protect and intensify industrial lands,
- Recommended updates to the City’s 1995 Industrial Lands Policies, including strategic directions to ensure space for technology businesses in Vancouver, and
- Recommendations for future area planning work in Railtown and the South Vancouver Industrial areas, as illustrated in the maps below.



## Discussion

### Proposed Zoning and Development By-law Amendments

This report presents Zoning and Development By-law amendments to advance the implementation of the Vancouver Plan and the City's Employment Lands and Economy Review. The amendments support the balanced intensification of Vancouver's industrial areas by providing users with additional flexibility and opportunities for growth. The following section summarizes these changes; for additional details see Appendices A and B.

### Improving Flexibility

Increasing flexibility and modernizing the allocation of density to permitted uses in the I-2 zoning district will be achieved through the following amendments:

- Adding Health Care Office as a permitted office use to allow doctors, chiropractors, massage therapists, physical therapists and other related practitioners to locate near patient workplaces and utilize shared office arrangements where available,
- Removing restrictions on specific professions within the General Office use to remove outdated barriers to certain service providers,
- Increasing of density for industrial service uses from 1.00 FSR to 3.00 FSR to reduce complexity of density allocations and provide additional space for industrial services,
- Removing the sub-area A limitation for Artist Studio - Class B to permit the use as part of the industrial density in any I-2 zoned site, and
- Amending the Artist Studio - Class B definition to permit use of artist studios for theatrical rehearsals.

### Artist Studio - Class B

Staff are proposing to incentivize the delivery of shared, non-profit, affordable, work-only artist studios by amending the Zoning and Development By-law to introduce a density bonus that will allow an additional 0.35 FSR of total floor area when space for Artist Studio - Class B use is provided. The Artist Studio - Class B space will be counted as industrial density and must be the larger of 0.10 FSR or 93 m<sup>2</sup> (1,000 ft<sup>2</sup>).

To qualify for the bonus, the Artist Studio - Class B space is required to be:

- Contiguous within the building,
- Secured in the public domain through a registered agreement on title, and
- Operated by the City or its delegates

Use and access by artists would be secured on title through a Community Use Agreement, with affordability on a cost-recovery basis. The intention is that the applicant will retain ownership or transfer ownership to an eligible non-profit operator. The City would provide oversight of the operator selection of a Vancouver-based non-profit organization, registered co-op or charity, or Musqueam, Squamish or Tsleil-Waututh Band Council and the use as affordable shared studios.

Correcting and Aligning Regulations

The following changes are proposed to correct unintended errors and align regulations in the I-2 district schedule:

- Replace sub-area map that inadvertently omits portions of sub-area A,
- Remove outdated clauses related to manufacturer’s agents and import brokers, and
- Make floor-to-floor heights on the first floor consistent with the Industrial Spaces Guidelines.

**Financial Implications**

Approval of the proposed amendments to the Zoning and Development By-law will increase flexibility of permitted uses, reduce regulatory complexity, provide incentives for artist studio production spaces and mitigate displacement. In aggregate, these changes are intended to provide more space options for new and existing businesses, helping to reduce upward pressure on rents and improve the financial outcomes for local businesses.

The selected non-profit operator for any artist studio space provided would be responsible for at-cost recovery fees associated with facility operations, as well as administration and programming costs. The building owner would remain responsible for capital maintenance and upgrades, and lifecycle replacement including systems such as HVAC.

**Conclusion**

The General Manager of Planning, Urban Design and Sustainability recommends that the Zoning and Development By-law amendments be referred to Public Hearing to support the implementation of the Vancouver Plan, and advance the directions from the City’s Employment Lands and Economy Review, Metro Vancouver Regional Industrial Lands Strategy and the Regional Growth Strategy, Metro 2050.

\* \* \* \* \*

**APPENDIX A**

**DRAFT**

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

**A By-law to amend  
Zoning and Development By-law No. 3575  
Regarding the Industrial Modernization and Intensification Framework**

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

1. This By-law amends the indicated provisions and Schedules of the Zoning and Development By-law No. 3575.

2. In section 2, Council strikes out the definition in column 2 for Artist Studio - Class B and substitutes the following:

“The use of premises for the production of:

- (a) performing arts including drama, dance and live music involving electronically amplified sound;
- (b) moving or still photography (excluding video) involving on-site film processing; or
- (c) paintings, drawings, pottery, or sculpture involving the use of fibreglass, epoxy and other toxic or hazardous materials or 1 or more of the following processes: welding, woodworking, spray painting, silk screening or fired ceramics.”.

3. In section 1.1 of the I-2 District Schedule, Council strikes out the map titled “Map 1: Sub-Area A and Sub-Area B in the I-2 District”, and substitutes the following:



4. In section 2.1 of the I-2 District Schedule, Council:

(a) under the heading “Office Uses”:

- (i) in the third column of the line for “General Office”, strikes out “, 2.2.5”, and
- (ii) adds a new line under General Office as follows:

Health Care Office	Conditional	2.2.1
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(b) under the heading “Retail Uses”:

- (i) in the third column of the line for “Farmers’ Market”, strikes out “2.2.6” and substitutes “2.2.5”, and
- (ii) in the third column of the line for “Retail Store”, strikes out “2.2.7” and substitutes “2.2.6”;

(c) under the heading “Transportation and Storage Uses”:

- (i) in the third column of the line for “Booming Ground”, strikes out “, 2.2.8”, and
- (ii) in the third column of the line for “Bulk Storage Data”, adds “, 2.2.7” after “2.2.1”;

(d) under the heading “Utility and Communication Uses”:

- (i) in the third column of the line for “Public Utility”, strikes out “2.2.9” and substitutes “2.2.8”, and
- (ii) in the third column of the line for “Waste Disposal Facility”, strikes out “2.2.10” and substitutes “2.2.9”;

(e) under the heading “uncategorized”:

- (i) in the third column of the line for “Accessory Buildings, customarily ancillary to any use listed in this section 2.1”, strikes out “2.2.11” and substitutes “2.2.10”,
- (ii) in the third column of the line for “Accessory Uses, customarily ancillary to any outright approval use listed in this section 2.1, other than accessory retail use in combination with outright approval wholesale uses listed in this section 2.1”, strikes out “2.2.12” and substitutes “2.2.11”, and
- (iii) in the third column of the line for “Any other use that is not specifically listed and defined as a use in Section 2 of this by-law”, strikes out “2.2.13” and substitutes “2.2.12”.

5. In section 2.2 of the I-2 District Schedule, Council:

- (a) strikes out section 2.2.5; and

- (b) renumbers sections 2.2.6 through 2.2.13 as sections 2.2.5 through 2.2.12, respectively.
6. In section 3.1.1 of the I-2 District Schedule, Council:
- (a) strikes out sections 3.1.1.1(a) and 3.1.1.1(b) and substitutes the following:
    - “(a) the maximum floor space ratio is 3.00 for:
      - (i) artist studio – class B,
      - (ii) manufacturing uses,
      - (iii) service uses, limited to: catering establishment, laboratory, laundry or cleaning plant, motor vehicle repair shop, photofinishing or photography laboratory, production or rehearsal studio, repair shop – class A, sign painting shop, and work shop,
      - (iv) transportation and storage uses,
      - (v) utility and communication uses, and
      - (vi) wholesale uses; and”;
  - (b) renumbers section 3.1.1.1(c) as section 3.1.1.1(b);
  - (c) in section 3.1.1.1(b)(ii), adds “and health care office combined” after “general office”; and
  - (d) strikes out section 3.1.1.2 and substitutes the following:

“3.1.1.2 Despite section 3.1.1.1 above, the Director of Planning may increase the permitted floor space ratio by an additional floor space ratio of up to 0.35, if:

    - (a) the greater of a floor space ratio of 0.10 or 93 m<sup>2</sup> of contiguous floor area is provided for artist studio – class B;
    - (b) the artist studio – class B is preserved in the public domain by way of a registered agreement and operated by the City or its delegates; and
    - (c) the Director of Planning considers the intent of this schedule, all applicable Council policies and guidelines, and the submission of any advisory group, property owner or tenant.”.
7. In section 3.1.2 of the I-2 District Schedule, Council:
- (a) in section 3.1.2.4(a,) strikes out “6.0” and substitutes “6.1”;
  - (b) renumbers sections 3.1.2.6, 3.1.2.7, and 3.1.2.8 as sections 3.1.2.7, 3.1.2.8, and 3.1.2.9, respectively; and



(c) adds a new section 3.1.2.6 as follows:

“3.1.2.6 Despite sections 3.1.2.1 and 3.1.2.5 above, the Director of Planning or Development Permit Board may increase the maximum building height to a height not exceeding 36.5 m if the permitted floor space ratio is increased pursuant to section 3.1.1.2 above and the Director of Planning or Development Permit Board considers:

- (a) the relationship of the development with nearby residential districts;
- (b) the impact of the height, bulk and siting of the building on daylight access and visual privacy of developments in nearby residential districts; and
- (c) the intent of this schedule, all applicable Council policies and guidelines, and the submission of any advisory group, property owner or tenant.”

8. In section 3.2.1 of the I-2 District Schedule, Council:

(a) strikes out sections 3.2.1.1(a) and 3.2.1.1(b) and substitutes the following:

“(a) the maximum floor space ratio is 3.00 for:

- (i) artist studio – class B,
- (ii) manufacturing uses, except for creative products manufacturing,
- (iii) service uses, limited to: catering establishment, laboratory, laundry or cleaning plant, motor vehicle repair shop, photofinishing or photography laboratory, production or rehearsal studio, repair shop – class A, sign painting shop, and work shop,
- (iv) transportation and storage uses,
- (v) utility and communication uses, and
- (vi) wholesale uses;

(b) the maximum floor space ratio is 1.00 for creative products manufacturing;”;

(b) in section 3.2.1.1(c), strikes out “sections 3.2.1.1(a) and 3.2.1.1(b)(i) above” and substitutes “section 3.2.1.1(a);

(c) in section 3.2.1.1(d)(ii), adds “and health care office combined” after “general office”;

(d) strikes out section 3.2.1.2 and renumbers section 3.2.1.3 as section 3.2.1.2; and

(e) in section 3.2.1.2, strikes out “which may include up to 3.00” and substitutes “which may not include more than 3.00”.

9. In section 3.2.2.9(a) of the I-2 District Schedule, Council strikes out “6.0” and substitutes “6.1”.

10. This by-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

## APPENDIX B

### Outline of Amendments to Zoning and Development By-law

*Note: This document is being provided for information only as a reference tool to highlight the proposed amendments. The draft amending by-law attached to the Council report RTS No. 15770, entitled “Industrial Modernization and Intensification Framework – Amendments to the Zoning and Development By-law,” represents the amendments being proposed to Council for approval. Should there be any discrepancy between the outline below and the draft amending by-laws, the draft amending by-laws prevail.*

#### Zoning and Development By-law Section 2 Flexibility Amendments

Definition	Proposed Amendments
Artist Studio - Class B	<ul style="list-style-type: none"> <li>• <b>Amending</b> definition to improve flexibility for Artist Studio - Class B users:                      The use of premises for the production of:                     <ul style="list-style-type: none"> <li>(a) <b>performing arts including drama</b>, dance <del>or</del> <b>and</b> live music involving electronically amplified sound;</li> <li>(b) moving or still photography (excluding video) involving on-site film processing; or</li> <li>(c) paintings, drawings, pottery, or sculpture involving the use of fibreglass, epoxy and other toxic or hazardous materials or 1 or more of the following processes: welding, woodworking, spray painting, silk screening or fired ceramics.</li> </ul> </li> </ul>

#### I-2 District Schedule Flexibility Amendments

Section	Proposed Amendments									
2.1, 3.1.1.1(b)(ii), 3.2.1.1(d)(ii)	<ul style="list-style-type: none"> <li>• <b>Add</b> Health Care Office use to section 2.1:</li> </ul> <table border="1" style="margin-left: 20px; width: 100%;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th colspan="3">Office Uses</th> </tr> </thead> <tbody> <tr> <td>General Office</td> <td>Conditional</td> <td>2.2.1</td> </tr> <tr> <td><b>Health Care Office</b></td> <td><b>Conditional</b></td> <td><b>2.2.1</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• <b>Add</b> references to “health care office” in section 3 to include health care office in density allocations:                       3.1.1.1(b) the maximum floor space ratio is 1.00 for all other uses combined, except that the floor area for:                     <ul style="list-style-type: none"> <li>(ii) general office <b>and health care office combined</b> must not exceed the greater of 235 m<sup>2</sup> or 33.3% of the total gross floor area of all principal and accessory uses combined,</li> </ul> </li> </ul>	Office Uses			General Office	Conditional	2.2.1	<b>Health Care Office</b>	<b>Conditional</b>	<b>2.2.1</b>
Office Uses										
General Office	Conditional	2.2.1								
<b>Health Care Office</b>	<b>Conditional</b>	<b>2.2.1</b>								

Section	Proposed Amendments
	<p>3.2.1.1(d) the maximum floor space ratio is 1.00 for all other uses combined:</p> <p>(ii) the floor area for general office <b>and health care office combined</b> must not exceed the greater of 235 m<sup>2</sup> or 33.3% of the total gross floor area of all principal and accessory uses combined</p>
2.2.5	<p>• <b>Delete</b> restriction on specific professions within General Office use:</p> <p><del>2.2.5 General office may not include the offices of accountants, lawyers, notary publics, or real estate, advertising, insurance, travel and ticket agencies.</del></p>
3.1.1.1	<p>• <b>Revise and renumber</b> section 3.1.1.1 to simplify the allocation of density to industrial service uses and <b>delete</b> “in sub-area A” language to remove regulatory barriers limiting the amount of artist studio floor space permitted:</p> <p>3.1.1.1 The maximum floor space ratio is 3.00, subject to the following allocations:</p> <p>(a) the maximum floor space ratio is 3.00 for:</p> <p>(i) <del>in sub-area A,</del> artist studio – class B,</p> <p>(ii) manufacturing uses,</p> <p>(iii) service uses limited to: catering establishment, laboratory, laundry or cleaning plant, motor vehicle repair shop, photofinishing or photography laboratory, production or rehearsal studio, repair shop – class A, sign painting shop, work shop,</p> <p>(iv) transportation and storage uses,</p> <p>(v) utility and communication uses,</p> <p>(vi) wholesale uses; <b>and;</b></p>


Section	Proposed Amendments
3.2.1.1	<ul style="list-style-type: none"> <li>• <b>Revise and renumber</b> section 3.2.1.1 to simplify the allocation of density to industrial service uses:               <ul style="list-style-type: none"> <li>3.2.1.1 The maximum floor space ratio is 3.00, subject to the following allocations:                   <ul style="list-style-type: none"> <li>(a) the maximum floor space ratio is 3.00 for:                       <ul style="list-style-type: none"> <li>(i) <b>artist studio – class b,</b></li> <li>(ii) <b>manufacturing uses, except for creative products manufacturing uses,</b></li> <li>(iii) <b>service uses limited to: catering establishment, laboratory, laundry or cleaning plant, motor vehicle repair shop, photofinishing or photography laboratory, production or rehearsal studio, repair shop – class A, sign painting shop, work shop,</b></li> <li>(iv) <b>transportation and storage uses,</b></li> <li>(v) <b>utility and communication uses,</b></li> <li>(vi) <b>wholesale uses; and;</b></li> </ul> </li> <li>(b) <b>the maximum floor space ratio is 1.00 for creative products manufacturing;</b></li> </ul> </li> </ul> </li> </ul>

I-2 District Schedule Artist Studio Amendments

Section	Proposed Amendments
3.1.1.2	<ul style="list-style-type: none"> <li>• <b>Add</b> the following clause to allow increase of density by 0.35 FSR for the provision of artist studio - class B subject to minimum size requirements:               <ul style="list-style-type: none"> <li>3.1.1.2 <b>Despite section 3.1.1.1 above, the Director of Planning may increase the permitted floor space ratio by an additional floor space ratio of 0.35, if:</b> <ul style="list-style-type: none"> <li>(a) <b>the greater of a floor space ratio of 0.10 or 93 m<sup>2</sup> of contiguous floor area is provided for artist studio - class B;</b></li> <li>(b) <b>the artist studio – class B is preserved in the public domain by way of a registered agreement and operated by the City or its delegates; and</b></li> <li>(c) <b>the Director of Planning considers the intent of this schedule, all applicable Council policies and guidelines, and the submission of any advisory group, property owner or tenant.</b></li> </ul> </li> </ul> </li> </ul>

Section	Proposed Amendments
3.1.2.6	<ul style="list-style-type: none"><li data-bbox="456 268 1377 373">• <b>Add</b> the following clause to allow increase in height by 6.0 m for the provision of artist studio - class B subject to bonus conditions in 3.1.1.2 above:<ul style="list-style-type: none"><li data-bbox="500 394 1404 611"><b>3.1.2.6</b> Despite sections 3.1.2.1 and 3.1.2.5 above, the Director of Planning or Development Permit Board, may increase the maximum building height to a height not exceeding 36.5 m if the permitted floor space ratio is increased pursuant to section 3.1.1.2 above and the Director of Planning or Development Permit Board considers:<ul style="list-style-type: none"><li data-bbox="618 632 1292 699">(a) the relationship of the development with nearby residential districts;</li><li data-bbox="618 720 1417 825">(b) the impact of the height, bulk and siting of the building on daylight access and visual privacy of developments in nearby residential districts; and</li><li data-bbox="618 846 1406 951">(c) the intent of this schedule, all applicable Council policies and guidelines, and the submission of any advisory group, property owner or tenant.</li></ul></li></ul></li></ul>

I-2 District Schedule Rationalization and Correcting Amendments

Section	Proposed Amendments
1.1	<ul style="list-style-type: none"> <li>• <b>Replace</b> Map 1 in the district schedule with the one below:</li> </ul>  <p>The map displays two sub-areas within an I-2 district boundary. Sub-Area A is shaded in dark blue and covers the northern and eastern portions of the area. Sub-Area B is shaded in light blue and covers the central and southern portions. The I-2 boundary is indicated by a dashed line. A legend at the bottom left identifies the colors and the dashed line. A scale bar at the bottom right shows distances up to 300 meters. A north arrow is located in the bottom left corner of the map area.</p>
3.1.1.2, 3.2.1.2	<ul style="list-style-type: none"> <li>• <b>Delete</b> sections 3.1.1.2 and 3.2.1.2 pertaining to allowances for manufacturer’s agent or import broker uses:</li> </ul> <p><del>3.1.1.2—Despite section 3.1.1.1(c) above, the Director of Planning may increase the permitted floor area for manufacturer’s agent or import broker or similar uses subject to the maximum floor space ratio in section 3.1.1.1(c), if the Director of Planning considers:</del></p> <ul style="list-style-type: none"> <li><del>(a) the extent to which building design conforms to industrial standards for wholesale uses, including but not limited to consideration for loading bays, large truck access, freight elevators, ceiling heights, corridor and door widths, and load bearing surfaces; and</del></li> <li><del>(b) the intent of this schedule and all applicable Council policies and guidelines.</del></li> </ul>

Section	Proposed Amendments
	<p><del>3.2.1.2—Despite section 3.2.1.1(d)(iii) above, the Director of Planning may increase the permitted floor area for manufacturer’s agent or import broker or similar uses, subject to the maximum floor space ratio in section 3.2.1.1(d) above, if the Director of Planning considers: City of Vancouver November 2022 Zoning and Development By-law Page 15+2</del></p> <p><del>(i)—the extent to which building design conforms to industrial standards for wholesale uses, including but not limited to consideration for loading bays, large truck access, freight elevators, ceiling heights, corridor and door widths, and load bearing surfaces, and</del></p> <p><del>(ii)—the intent of this schedule and all applicable Council policies and guidelines.</del></p>
<p>3.1.2.4 3.2.2.9</p>	<ul style="list-style-type: none"> <li>• <b>Revise</b> sections 3.1.2.4(a) and 3.2.2.9(a) for building height:             <ul style="list-style-type: none"> <li>3.2.1.2 In sub-area A, except for buildings existing as of October 31, 2017:                 <ul style="list-style-type: none"> <li>(a) the floor-to-floor height of the first floor of a building must measure at least 6.01 m; and</li> </ul> </li> <li>3.2.2.9 Except for buildings existing as of October 31, 2017:                 <ul style="list-style-type: none"> <li>(a) the floor-to-floor height of the first floor of a building must measure at least 6.01 m; and</li> </ul> </li> </ul> </li> </ul>