

COUNCIL MEMBERS' MOTION

For consideration at the Standing Committee meeting of City Council on July 9, 2025

5. Unlocking the Creative and Economic Potential of Vancouver's Railtown District

Submitted by: Councillor Bligh

WHEREAS

1. Vancouver's Railtown District is a unique and historically significant part of the city with a rich industrial past. It once served as the industrial heart of the city supporting the port, the railroad, and other vital industries such as fishing and logging;
2. Railtown is currently designated as "Industrial" under Metro Vancouver's 2050 Regional Growth Strategy and zoned as I-4 Industrial by the City of Vancouver;
3. Railtown is within walking distance to Waterfront Station, Vancouver's largest multi-modal transit hub, and is less than 75 metres from the Tier 3 Transit-Oriented Area boundary;
4. Some of Vancouver's largest and most successful homegrown companies, such as Aritzia, Inform, Bocci, Hootsuite, and Herschel, have started in Railtown as part of an emergent creative district that has coalesced in the area drawn by the central location and unique vibe of this space; ⁱ
5. The Railtown District encompasses approximately 11 acres of land with approximately 800,000 sq/ft of leasable commercial space but faces numerous challenges in terms of industrial land uses in the 21st Century. For example, many of Railtown's historic buildings do not conform to modern industrial space requirements due to a lack of proper loading bays, freight elevators, low ceilings, insufficient space for parking (let alone truck parking and yard storage), limited opportunities for future expansion, and challenges for large trucks to access major transportation routes and maneuver safely which results in high vacancy rates amongst industrial-focused buildings;
6. Many of Railtown's historic buildings are at risk of demolition due to Railtown being one of the last commercial districts in the city with a continuous streetscape of pre-1930s buildings that are not protected under the City's Heritage Conservation By-laws;
7. Employers in Railtown advise that the area suffers from poor east west connections and that a review of and updates to the transportation network would help facilitate employee retention and employment growth in the area (including active transportation routes such as the Portside Greenway);
8. Railtown currently struggles with prolonged and excessively high vacancy rates. For example, the overall vacancy rate in the area is 13.2% and the vacancy rate in industrial spaces is 31%ⁱⁱ. This is very high compared to the industrial vacancy rate in the region overall (3.8% in Q1 2025)ⁱⁱⁱ. Local building managers have

advised that vacancy rates in the area are purposefully under reported to help prevent commercial lease rates from falling further;

9. Landowners in the area report that lease rates have dropped 50% from \$35 PSF in 2020 to \$15 PSF in 2025;
10. Railtown is experiencing a decline in the number of businesses with a 31% decrease in business licenses since 2014 coinciding with the implementation of new I-4 zoning;
11. Area landowners report that Railtown is over-reliant on a single employer who makes up 70% (~2,500) jobs in the area. Many businesses have expressed concern over the deterioration of the area and are considering relocating outside of Railtown;
12. Landowners in the area report that Railtown is lagging behind similar neighbourhoods, for example between 2018 and 2024 Mount Pleasant's total building permit value was \$254m while Railtown's total building permit value was \$57m, representing almost a 4x value when compared to Railtown;
13. Landowners further report that 266,000 sq/ft of projects with approved development applications have been abandoned due to lack of viability under the current policy restrictions, pointing to a need and opportunity to align Railtown's heritage with other successfully reimagined former industrial areas that have brought heritage and modern uses together;
14. As part of the approval of updates to the City's Industrial Lands Policy in 2023, staff recommended that Railtown be subject to future work to enable opportunities for expansion of employment uses in the area;
15. Residential uses already exist along Railway and Alexander Streets, including 45 artist live/work units at 303 Railway (CD) and 15 at 329 Railway (I-4); 120 live/work and condo units at The Edge (298 Alexander, CD); and a concentration of social and supportive housing, such as the City-owned 45-unit SRO at 305 Alexander (I-4), the 66-unit Jim Green Residence (CD), and the shelter at 467 Alexander (I-4). The 60 artist live/work studios at 303 Railway Street (CD) and 329 Railway Street (grandfathered in under I-4) are reported to have a 0% vacancy rate;
16. Diversified housing options, including residential rental and artist live/work, are critical to support employment, and creating mixed-use is consistent with the City of Vancouver's priorities of a 15-minute walkable city;
17. Mixed-use neighbourhoods is consistent with the City of Vancouver's priorities of a 15-minute walkable city;
18. There is broad support from local property owners, businesses, and community partners to reclassify the area and unlock new housing, jobs, and cultural amenities. The Railtown Coalition represents property owners that make up a total of 87% of the land within the I-4 zoning district and they support this reclassification;

19. The Railtown Coalition representing 87% of Railtown's land base (~430,000 sq. ft.) is ready to work with the Planning Department to deliver sustainable, mixed-use projects that create rental and artist housing without displacement, increase employment spaces and services, and deliver public realm improvements consistent with a master-planned and complete community. The coalition is committed to ensuring these projects recognize the cultural diversity and resilience of the Downtown Eastside, host Nations and urban Indigenous communities and are ready to work with all partners to ensure future development respects stakeholder rights, histories, and priorities;
20. Given Railtown's small land area and exclusive I-4 zoning (not found anywhere else), reclassification would allow for vitalization bringing a range of employment opportunities and increased foot traffic to support local businesses and create new services including public realm and cultural spaces; and
21. Reclassifying sites within Railtown from Industrial to General Urban in Metro Vancouver's Regional Land Use Designations is essential to supporting mixed-use development in the area. This shift would allow for a broader mix of housing, employment space, artist live/work opportunities, and vibrant public spaces. It is a critical step toward realizing Railtown's creative and economic potential, fostering innovation, artistic expression, and entrepreneurship, while advancing the city's goals for economic diversification, cultural development, housing, and urban revitalization.

THEREFORE BE IT RESOLVED

THAT Council direct staff to bring back options for Council's consideration as part of the ongoing local area planning for the Railtown District, including but not limited to potential zoning changes and options for mixed-use development such as creating additional artist live-work spaces, rental housing, new employment spaces, creative manufacturing spaces for industrial start-ups, and more vibrant streetscapes.

FURTHER THAT Council direct staff to incorporate the following considerations as part of the future Railtown Planning work:

- Increased employment with no net loss of the total inventory of industrial or employment space currently found in Railtown;
- Transportation network enhancements for safe and active transport options in and out of the area including better connections to the Gastown and Strathcona Shopping Districts and work with TransLink to explore the potential re-routing of key bus services into the Railtown area or providing alternative connections to Waterfront Station and other transit hubs;
- Retail at grade, increased vibrancy, safety, eyes on the streets and 24/7 activity;
- Increased & diversified housing options including market rental housing and live/work rental options;

- Consider which sites are best suitable for rental housing and artist live/work spaces;
- Heritage protection and creative uses in heritage buildings such as live/work spaces including the possibility of transferring density to other zones in the city and incentives for the preservation of heritage buildings;
- Increase the overall flexibility of uses.

FURTHER THAT Council direct staff to initiate the work necessary for the reclassification of Railtown sites from (I-4) “Industrial” to “General Urban”, where an area planning opportunity is identified, and bring a referral report forward to amend the Regional Context Statement Official Development Plan (RCS ODP) for Council’s consideration and pending council approval, initiate the work with Metro Vancouver Regional Board to subsequently amend the Metro Vancouver Regional Growth Strategy 2050 as required.

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ⁱ Bocci has announced plans to move further east due to Railtown’s logistical limitations.

ⁱⁱ CoStar.

ⁱⁱⁱ Avison Young.