

City of Surrey  
**PLANNING & DEVELOPMENT REPORT**

File: 7906-0121-00

Planning Report Date: April 12, 2010

**PROPOSAL:**

- **OCP Amendment** from Industrial to Commercial
- **Land Use Contract** discharge (LUC 150)
- **Rezoning** from CD (By-law No. 14640) and IL to CD (based on IB and C-8 Zones)
- **Development Permit**

in order to allow expansion of an existing industrial development by adding retail commercial and banquet hall uses, in addition to upper storey office and warehouse space.

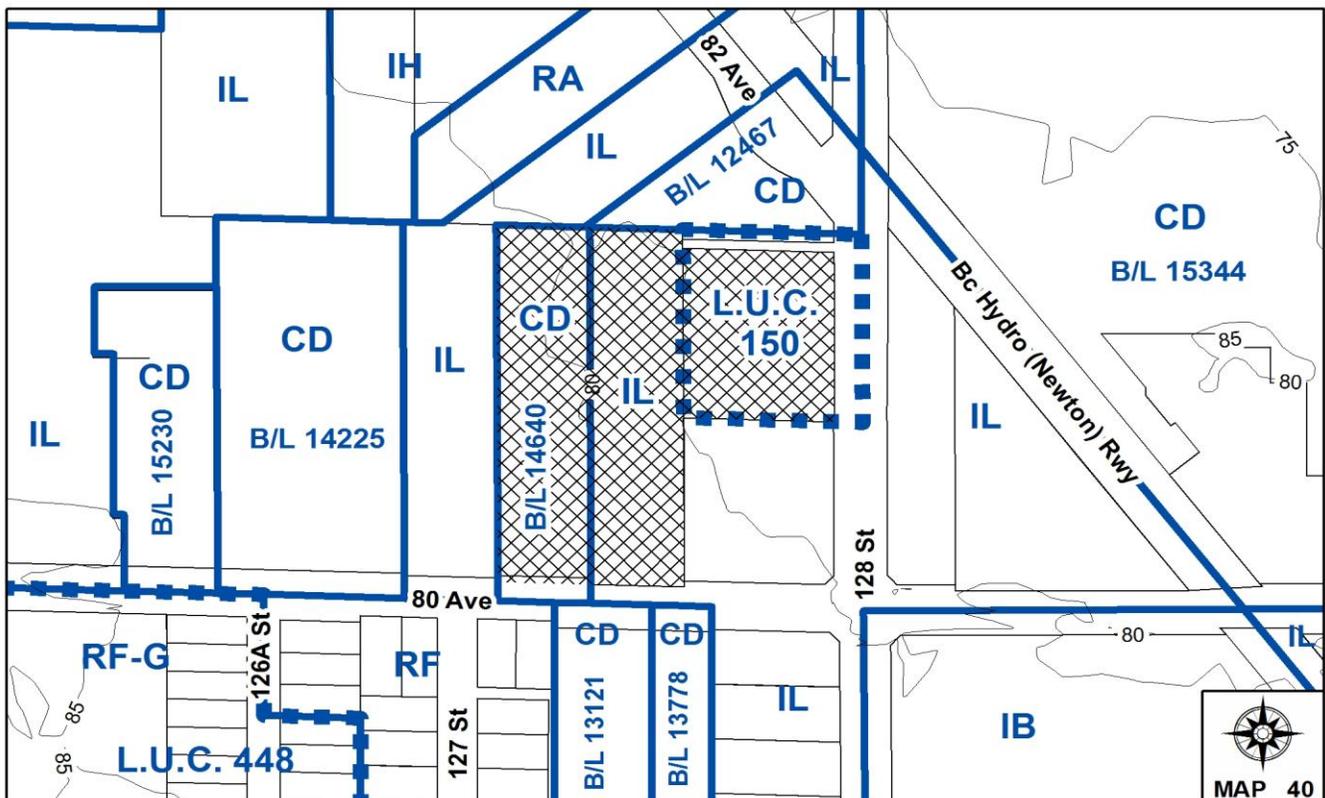
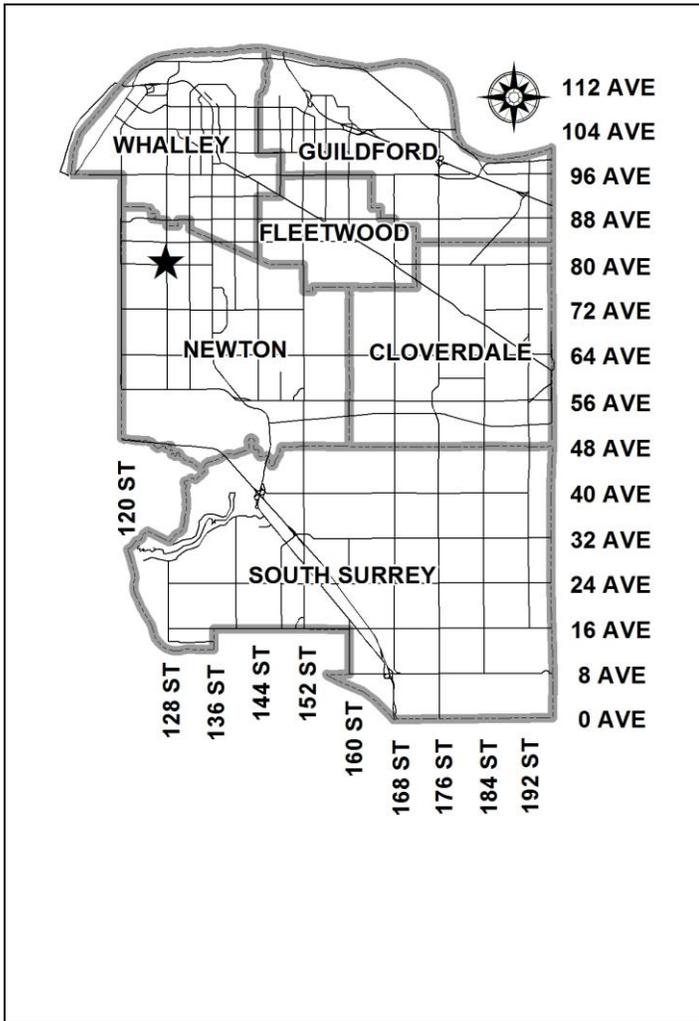
**LOCATION:** 12725/43 - 80 Avenue and 8053/63 - 128 Street

**OWNER:** Vancouver Punjab Cloth House Inc. and 591430 BC Ltd.

**ZONING:** CD (By-law No. 14640) and IL and LUC 150

**OCP DESIGNATION:** Industrial

**LAP DESIGNATION:** General Industrial



### RECOMMENDATION SUMMARY

- Council authorize staff to prepare a terms of reference for Council consideration for the initiation of a planning study related to the possible establishment of a "Central Newton Cultural Commercial District (CNCCD)", including a detailed public consultation process, as discussed in this report, and that any commercial retail related applications in the industrial designated area be held in abeyance pending completion of this study.

### DEVIATION FROM PLANS, POLICIES OR REGULATIONS

- Requires an OCP Amendment from Industrial to Commercial.
- Contrary to the Economic Development Strategy and Employment Lands Strategy.
- Contrary to OCP policies supporting the preservation of industrial land.

### RATIONALE OF RECOMMENDATION

- Although the proposal would result in a loss of industrial land, some employment opportunities would be generated through the commercial development.
- The industrial area around the 80 Avenue/128 Street intersection continues to experience pressure for the expansion of retail/commercial uses due to the number of previous development proposals with an increased range of service and retail commercial uses in the area, as well as the emergence of a culturally-distinct retail district dominated by South Asian businesses.
- While the proposal to expand retail commercial uses within Industrial area is contrary to the OCP, consideration of creation of a cultural commercial district in central Newton has merit given the critical mass of businesses already at this location, and the continuing pressure for retail and service commercial businesses to locate in the 128 Street shopping precinct.

RECOMMENDATION

The Planning & Development Department recommends that:

Council authorize staff to prepare a terms of reference for Council consideration for the initiation of a planning study of the Central Newton Cultural Commercial District (CNCCD), including a detailed public consultation process, as discussed in this report, and that the subject application and any other OCP amendment applications in this area be held in abeyance pending completion of this study.

REFERRALS

**Engineering:** The Engineering Department has no objection to the project subject to the completion of Engineering servicing requirements as outlined in Appendix III.

**Parks, Recreation & Culture:** The Parks, Recreation & Culture Department has no specific concerns regarding this proposal.

SITE CHARACTERISTICS

Existing Land Use: There are three industrial buildings on the site. Two of which will be retained and one demolished.

Adjacent Area:

<b>Direction</b>	<b>Existing Use</b>	<b>OCP/LAP Designation</b>	<b>Existing Zone</b>
North:	Two industrial buildings used for manufacturing and outdoor storage.	Industrial/ High Impact Industrial	IL and CD (By-law No. 12467)
East (Across 128 Street):	Two multi-tenant industrial buildings and a manufacturing plant across 128 Street.	Industrial/ High Impact Industrial	IL
South (Across 80 Avenue):	Multi-tenant industrial buildings, warehouse buildings, and single family residential.	Industrial/ General Industrial and Urban Residential	IL, CD (By-law No. 13121), CD (By-law No. 13778) and RF
West:	Multi-tenant industrial manufacturing buildings.	Industrial/ General Industrial	IL

## JUSTIFICATION FOR PLAN AMENDMENT

- The site is presently operates as industrial warehouse. The applicant seeks to introduce retail commercial and banquet hall uses on the site, thus necessitating an amendment of the Official Community Plan (OCP) from Industrial to Commercial.
- The OCP includes policies which support the preservation of business- and industrial-designated land in the City. The Central Newton Industrial area represents a significant supply of industrial-designated land, and as such, it plays an important role in helping to meet the City's future economic growth.
- The OCP denotes the importance of ensuring an adequate land supply to facilitate long term economic growth in the City. In particular, the OCP indicates the need to preserve industrial land primarily for business development purposes, as it is estimated that an additional 1,000 to 1,500 acres of marketable industrial land would be needed over the next 25 years to meet Surrey's needs.
- In 2008, the Economic Development Strategy (EDS) was approved by Council. The objective of the EDS is to create local employment opportunities and a more balanced tax base. The EDS notes that the protection of Surrey's industrial land base is one of Surrey's highest priorities.
- Also in 2008, Council approved the Employment Lands Strategy (ELS). The purpose of the ELS is to define a strategic vision for Surrey's employment lands. The ELS provides a direction on how these lands should be managed, with particular emphasis on ensuring that there is an adequate supply to meet future demands. The following policies are applicable to the application:
  - *Industrial land shall be protected for industrial us; and*
  - *The conversion from industrial uses to another employment use should only be permitted for local serving, ancillary retail, or commercial uses needed to support industrial activity.*
- Overall, the expansion of retail uses presents broad concerns in relation to the impact on industrial land supply as supported by the OCP and both the Economic Development and Employment Lands Strategy. However, the prevalence of existing commercial uses in the area, emergence of a notable cluster of South Asian businesses, and increasing pressure for further businesses to locate in this precinct present unique circumstances and challenges that merit further review, as discussed below.

## DEVELOPMENT CONSIDERATIONS

### Background

- The subject site consists of 3 properties and is designated "Industrial" in the Official Community Plan (OCP) and "General Industrial" in the Newton Local Area Plan (LAP). One of the subject parcels is zoned "Light Impact Industrial Zone" (IL), one is zoned "Land Use Contract (LUC) 150" and the third parcel is zoned "Comprehensive Development (CD) By-law No. 14640".

- The site is 2.49 hectares (6.16 acres) in area and contains 3 existing buildings. One of these buildings, on the parcel zoned CD By-law No. 14640, contains the Punjab Cloth House. This parcel was rezoned from IL to CD in 2004 to allow limited light impact industrial and warehouse uses with a limited retail component, and a Development Permit was issued to allow for construction of the Punjab Cloth House building (File No. 7901-0285-00).

### Proposal

- The applicant is proposing that one of the existing buildings be demolished and that 2 new buildings be built on the subject site. The applicant is proposing a site with a total floor area of 15,791 sq.m. (169,970 sq.ft.). This total floor area is demised as follows:
  - 6,252 sq.m./67,300 sq.ft. (39%) of ground floor retail/commercial;
  - 3,329 sq.m./35,830 sq.ft. (21%) of banquet hall space;
  - 3,239 sq.m./34,860 sq.ft. (21%) of warehouse space; and
  - 2,971 sq.m. /31,980 sq.ft. (19%) of second floor office space.
- The conceptual site plan, submitted by the applicant, shows the proposed locations of the 4 buildings and associated parking. The site has a significant parking shortfall based on the parking requirement of the Zoning By-law, therefore should the proposal proceed in the future, substantial reductions in the proposed floor area will be needed to meet the parking requirements. (Appendix II).
- Technical and operational requirements associated with site servicing have not been finalized, given the policy departure of this application, and will be assessed further at a detailed planning stage. Similarly, design review, architectural and landscaping considerations will be evaluated should the project proceed to detailed review.
- As noted above, the application represents a significant departure from City Policy respecting industrial land, and therefore staff is seeking Council direction on the subject application, as discussed below.

### PRE-NOTIFICATION

Pre-notification letters were sent April 24, 2006 and staff received 1 phone call, 1 letter and 1 petition.

- The caller expressed opposition to the uses proposed and didn't want night-time activity on the site. A letter signed by representatives of 4 banquet halls in the area opposing the proposed development as they did not believe there was enough banquet hall business to sustain another banquet hall, and also said that there was insufficient parking in the evening when all the banquet halls were in use.

*(The area surrounding the subject site is predominantly industrial in nature. The letter writers mention lack of demand for more banquet hall space and yet also mention that all 4 banquet halls are busy on the same night. With respect to parking, an appropriate amount of parking should be provided on-site.)*

- Twenty-three (23) strata owners from the Payal Business Centre, located at 8120 – 128 Street, signed a petition to indicate opposition to the proposed development because “there are already enough banquet halls and retail outlets in the present area”.

*(Should Council authorize staff to proceed with a Terms of Reference for the Central Newton Cultural Commercial District, staff will engage a consultant to conduct the necessary market studies to confirm the nature of commercial and industrial demand in the area.)*

#### Central Newton Cultural Commercial District (CNCCD)

- Numerous South Asian retail and commercial businesses have emerged over the past decade within the 128 Street corridor on industrial designated land. These businesses were approved under the “Industrial Business Park (IB) Zone” or through comprehensive development (CD) zones, and permit a limited range of retail and service commercial uses in addition to the allowable industrial uses. These include the Payal Business Centre, Khalsa Business Centre and York Business Centre.
- As a result of these anchor sites, other satellite service and retail businesses have begun locating in the area, the majority catering to the South Asian community. These range from professional services, sweet shops, clothing and apparel, restaurants and catering, banquet halls, and a wide range of personal and general services. This unique retail/commercial area is centered along 128 Street, approximately between 79 Avenue and 84 Avenue (Appendix IV). In general, many of the sites within this corridor operate like commercial sites. There are few typical “industrial” uses in operation on these sites, and there appears to be more non-industrial uses on the site than is permitted by the sites’ zoning.
- However, the City continues to experience difficulties in dealing with this area, due to the continuous pressure for inclusion of further commercial businesses in this area, parking shortages, and problems related to business license and building permit compliance due to the ambiguity within some of the existing comprehensive development zones.
- The market draw of the existing anchor sites is significant, and can no longer be ignored in terms of how these existing commercial sites are shaping the market demand and are creating a need for clustering and agglomeration of further commercial businesses that cater to the South Asian community. On this basis, there is merit in evaluating the benefits and implications of creating a unique, cultural retail/commercial node in this area, centered on 128 Street.
- Development of the Central Newton Commercial Cultural District (CNCCD) would have the following benefits:
  - The area could accommodate demand for new business, and could emerge as a successful cultural regional shopping destination, drawing shoppers from across the Lower Mainland, and having further economic multiplier benefits, such as tourism;
  - The area could be developed with an appropriate theme and design guidelines, which would enhance the aesthetics of the area and enhances the cultural fabric of the City;

- Certain sites within the area could be rezoned to remove ambiguous retail/commercial regulations, which would reduce by-law compliance issues and also confusion in issuing business licenses for the sites;
  - Development cost charges (DCCs) could be collected for commercial uses, which is more reflective of some of the sites in this area; and
  - Development of a specialized retail/commercial area could reduce the pressure on industrial land in other parts of Surrey, which would help retain industrial land for industrial uses.
- The evaluation of a new cultural commercial district in Central Newton will require a detailed public consultation process, as well as detailed evaluation of market trends. A comprehensive strategy would also be developed to deal with the subsequent implementation of the guidelines and controls identified for this precinct.

#### OPTIONAL COURSES OF ACTION FOR COUNCIL

The following are alternative directions Council can consider regarding the subject application:

##### Option A: Defer consideration of the subject application pending completion of the planning study

- Under this option, Council would authorize staff to initiate a planning study of the "Central Newton Cultural Commercial District (CNCCD)", including a detailed public consultation process, as discussed in this report, but the subject application (Project No. 7906-0121-00) and any other commercial retail related applications in this industrial designated area would be held in abeyance pending completion of this study.
- This option will allow for the completion of the planning study. Conclusion of the study will be applied to the review of the proposed development accordingly.

##### Option B: Allow the subject application to proceed through the normal process, but that final rezoning adoption be held pending completion of the study

- Should Council wish to allow the subject application to be processed concurrently with the proposed study, Council may refer the application to staff to further review the proposal and bring forward appropriate bylaws for Council consideration, provided that final adoption of the rezoning by-law be held pending completion of the study.
- This option will allow the proposed development to move forward concurrently with the preparation of the planning study. However, final adoption of the rezoning bylaw will be held until the planning study is concluded.
- Conclusion of the planning study will be applied to modify the proposed development accordingly and will be a subject condition for final adoption.

INFORMATION ATTACHED TO THIS REPORT

The following information is attached to this Report:

- Appendix I. Lot Owners, Action Summary and Project Data Sheets and Survey Plan
- Appendix II. Proposed Layout, Site Plan, Building Elevations Landscape Plans and Perspective
- Appendix III. Engineering Summary
- Appendix IV. Proposed Central Newton Cultural Commercial District Study Area

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