



# Corporate

NO: R230

# Report

COUNCIL DATE: November 19, 2001

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>November 14, 2001</b>
FROM:	<b>General Manager, Planning &amp; Development</b>	FILE:	<b>5591-049</b>
SUBJECT:	<b>Zoning Amendment By-law Nos. 14527 and 14528 Amendment to the Salvage Industrial Zone and Council-Initiated Rezoning in South Westminster</b>		

## RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report as information;
2. Table Zoning Amendment By-law Nos. 14527 and 14528 pending completion of the South Westminster Neighbourhood Concept Plan (NCP);
4. Instruct staff to invite a representative of the Pacific National Exhibition (PNE) Board to participate on the Business Advisory Committee through to completion of the South Westminster NCP;
5. Defer further Council-initiated rezoning in South Westminster until the South Westminster NCP has been approved by Council;
6. Instruct staff to bring forward inactive Rezoning By-laws and Development Permit and Development Variance Permit applications for filing or closure, subject to staff following normal procedures to determine if each applicant intends to proceed further with their application; and
7. Instruct the Acting City Clerk to forward a copy of this report to the delegations who appeared at the Public Hearings on October 22, 2001.

## INTENT

The purpose of this report is to respond to Council's request for a report on the concerns and objections raised at the Public Hearings, related to the subject By-laws, to outline the options available to Council with respect to the further processing of the By-laws and to recommend a course of action for Council's consideration.

## BACKGROUND

On October 1, 2001, Council adopted the recommendations of Corporate Report No. R213 that the Salvage Industrial Zone be renamed Selected Business Industry Zone (ISB) with associated amendments and certain lands within the high visibility area in South Westminster be rezoned from Light Impact Industrial Zone (IL) to Selected Business Industry Zone (ISB). Zoning Amendment By-law Nos. 14527 and 14528 were introduced, and granted First and Second Readings. Public Hearings for the respective By-laws were held on October 22, 2001.

Following the Public Hearings, Council deferred consideration of Third reading of By-law Nos. 14527 and 14528 and directed staff to report back on the issues raised by delegations at the Public Hearings (Council Resolution R01-2392).

## DISCUSSION

At the Public Hearings on October 22, 2001, there were a total of 10 speakers who spoke in opposition to the two proposed By-laws. The speakers included a member of the Board of Directors of the PNE, property owners from the South Westminster area and development consultants, on behalf of developers involved in projects in the South Westminster area. In addition, there was correspondence submitted including a 70 signature petition in opposition, a letter from Colliers International opposing the proposal, and a letter from the Chair of the PNE Board expressing concerns.

### Summary of Concerns and Objections

The main concerns and objections raised by the public, with respect to the above-noted By-laws are described below:

- **Timing of the Council Initiated By-laws** - It was suggested that any Council initiated Zoning By-law amendments and rezoning should follow the completion of the land use vision and related implementation strategies for the South Westminster area, rather than precede it. By adopting these By-laws in advance of the NCP process, the City is considered to be undermining the NCP public process, which has been undertaken to date.
- **Potential Negative Impacts** – There was a concern that trucking and distribution-related industries that are allowed under the IL Zone may become legal non-conforming uses once their properties are rezoned from IL to ISB. There will be implications on obtaining insurance protection. Furthermore, if the new buildings were damaged by fire, or if the owner requested renovations or expansions, building permits may be difficult to obtain.
- **Impact on the NCP Plan** – It was suggested that the proposed ISB Zone would have a major impact on the planning process that has taken place, to date, in South Westminster. It was the impression of some delegates that parts of the South Westminster area would be proposed as suitable for Highway Commercial Industrial (CHI) zoning in the NCP. The CHI zoning is less restrictive than the proposed ISB zoning.

- **Lack of Consultation** – Comments were made regarding the fact that the proposed amendments were initiated without sufficient consultation and input from the stakeholders or affected owners/businesses.
- **Reduction in Property Values** – The restrictions on existing outright uses that will result from the By-laws being adopted will have a negative impact on property values because the range of permitted uses, under the proposed zone, is more limited than the existing zones and the outdoor storage restrictions will impose new building costs.
- **Reduction in Taxes Payable and Employment Generation** – Concerns were raised regarding the potential for the rezoning to cause a reduction in property values that will result in less property taxes payable to the City and if the subject lands are perceived to be uneconomic to develop, no new employment will be generated.
- **Geotechnical Conditions of the Area Preclude the Proposed ISB Development** – There was a concern that the soil conditions in the South Westminster area may not be able to sustain high quality building development as envisaged under the ISB Zone.

The recommendations from the delegations are summarized as follows:

- That no Council-initiated rezoning should be considered until the NCP is completed.
- That any Council-initiated rezoning should be undertaken in consultation with area stakeholders and should be consistent with the NCP land use vision.
- That consideration should be given to both interim and long term future land uses, with open storage considered as a suitable interim use.
- That the existing owner initiated in-stream applications be allowed to continue to final adoption and that no Council initiated rezoning for properties be considered that would create legal non-conforming uses.

### **Status of Neighbourhood Concept Plan Process for South Westminster**

On February 15, 1999, Council approved the planning process (Corporate Report No. R1770) for the development of an NCP for the South Westminster neighbourhood. One of the objectives of the plan is to formulate strategies to create a positive image and investment climate for South Westminster and, in turn, increase employment opportunities. The Study commenced in September 1999, with the formation of a Business Advisory Committee (BAC) and appointment of engineering and land economics consultants. The BAC is comprised of property owners, business operators and a representative from the Fraser River Port Authority.

### **Status of the NCP Planning Process**

The completed NCP will consist of a Land Use Plan, an Urban Design Plan and Guidelines, a Servicing Plan and a Financial Strategy to achieve the Land Use Plan. To date, City staff, in consultation with the BAC and other participants, have prepared three land use concepts (see Appendix "A"), together with preliminary servicing costs and economic analyses. The three Land Use Options illustrate three possible development scenarios for South Westminster, based on its position within the region and with respect to the current and anticipated future market conditions. The three land use options were developed in consultation with the BAC through regular meetings. A public open house was held on May 4, 2000 at the Bridgeview Community Centre for the purpose of obtaining public

feedback on the three land use options. A questionnaire was circulated at the public open house meeting that gave those attending an opportunity to indicate their preference in regard to the three land use options.

## **Land Use Options**

### **Land Use Option 1: Highway Commercial Big Box Development Option**

This option envisions the extension of Highway Commercial Industrial uses along Scott Road and the development of light impact industry surrounding the highway commercial uses. To provide a positive and attractive gateway entrance to Surrey, an industrial business park is proposed at the north end of South Westminster to be located adjacent to the Pattullo Bridge and the City's Brownsville Bar waterfront park. The proposed business park would be located adjacent to Surrey's waterfront area, with direct access from the nearby South Fraser Perimeter Road. This option proposes very limited commercial activity at the waterfront. This option also features all industrial uses along the waterfront. This option is predominately highway commercial uses along Scott Road and industrial on the balance of the lands. The intent is to develop a well planned, marketable land use (warehousing and big box retail outlets) over the next 30 years, which could then be further re-developed in the longer term.

### **Land Use Option 2: Waterfront Development Option**

This option focuses on developing the waterfront lands for uses that include commercial, residential, parkland, cultural and recreational uses. This proposal radically changes the current waterfront uses from industrial to more public oriented uses with the support of residential development, parks and active commercial uses. The objective is to take better advantage of the City's waterfront assets. The waterfront development would be similar in scale and will have the ambience of the New Westminster Quay and/or Granville Island. To provide the necessary linkage to the waterfront area, Old Yale Road will be lined with small scale pedestrian friendly retail, offices and residential uses. The Plan also envisions a high proportion of Business Park development being located in high visibility areas such as along the South Fraser Perimeter Road and adjacent to the Pattullo Bridge/King George Highway. Scott Road will support some Highway Commercial uses between Tannery Road and Old Yale Road. Along the south-easterly slopes (not suitable for industrial development) and adjacent to the existing residential community, the Plan calls for development of low to medium density multiple-family residential uses. In comparison to the other two options, Option 2 envisions the greatest mix of land uses.

### **Land Use Option 2A: Recreation, Tourist Related and Entertainment Option**

South Westminster is the geographical centre of the Lower Mainland's population. The area is well connected to the regional transportation network and has good linkages in all directions by road, rail, skytrain and bus transit. It has reasonable access to the Vancouver airport, the Canada/US border and the City of Vancouver.

Option 2A envisions South Westminster becoming a regional destination with attractions such as major theme parks, sports stadium, recreation uses, hotels/convention centres and theatres. This option would be similar to Option 2 except for the area along the south-easterly side of Scott Road between 104 Avenue and the rail line, that would be developed for major entertainment and recreational uses. The proposed regional character of South Westminster will also support and complement the proposed waterfront development as prescribed in Option 2.

### **Preferred Land Use Option**

Most of the members of the BAC favour Option 2. The Fraser River Port Authority has indicated a desire that all

lands in the vicinity of the Port and along the waterfront remain industrial in nature and, therefore, favours Option 1. Some of the members of the BAC favour Option 2A. The results of the public open house questionnaire indicate Option 2 as the preferred land use option.

### **Next Steps in NCP Planning Process**

Following the open house meeting in May 2000, the next step of the planning process was to refine the preferred Land Use Option so that a detailed Servicing Plan and Phasing/Strategy Plan could be developed. However, at that time the PNE announced their plans to relocate to South Westminster and because of the significant implications that a development of the scale proposed by the PNE (i.e., 100 acres) would have on the proposed South Westminster Plan, the planning process was placed on hold until such time as the details of the PNE were made public.

In September 2001, the City was advised that the PNE relocation to South Westminster would not occur. As a result of this information, staff has recommenced the South Westminster NCP planning study. Currently, the preferred land use concept is being refined in preparation for the development of a conceptual servicing plan and phasing strategy. The target date for completion of the final draft Land Use Plan and phasing/servicing strategy is March 2002, at which time they will be forwarded to Council for approval to proceed to public consultation. Subject to Council approval, the final Land Use Plan, together with the Servicing and Phasing/Strategy Plan will be presented to the public in April 2002 and a final report recommending approval of the NCP should be ready for submission to Council for consideration shortly thereafter.

To date, the PNE has not been involved in the NCP process. Given the amount of land that the PNE owns in the South Westminster area (i.e., approximately 100 acres) it is recommended that Council authorize staff to invite a representative from the PNE Board to participate on the BAC for the South Westminster NCP.

### **Options for Consideration**

The following is a description and evaluation of the options available for Council's consideration, in relation to the further processing of the subject Rezoning By-laws:

#### **Option 1: Deny Third Reading of the By-laws**

##### **Pros:**

- Will satisfy the delegates who appeared at the Public Hearing in opposition to the By-laws.

##### **Cons:**

- Does not address Council's concerns regarding land uses, which would result in large-scale storage of vehicles or support the vision for high quality development in the South Westminster area.
- Does not provide a clear message to the development community of Council's expectations for South Westminster.

#### **Option 2: Table the By-laws Prior to Third Reading Pending the Completion of the NCP**

##### **Pros:**

- Partially addresses the concerns of the Public Hearing delegates in that Council will not adopt the By-laws until the NCP process is completed at which time the land use plan associated with the NCP will provide additional information about the appropriateness of the Rezoning By-laws.

- Provides time for staff to further consult with the landowners and businesses in the area.

**Cons:**

- Proposals for development in the South Westminster area that are inconsistent with the City's intentions may require ad hoc actions by staff and Council when they are received to ensure that they are not implemented.

**Option 3: Grant Third Reading of the By-laws and then Table the By-laws Pending Completion of the NCP**

**Pros:**

- Same as Option 2.
- Provides more certainty with respect to the status of the By-laws.

**Cons:**

- Same as Option 2.
- Legal Services has advised that if Council wishes to defer consideration of the By-laws to allow completion of the South Westminster NCP, tabling the By-laws prior to third reading would be a better course of action in comparison to tabling after third reading.

**Option 4: Grant Third Reading and Final Adoption of the By-laws**

**Pros:**

- Achieves, immediately, Council's directive to eliminate uses in South Westminster that will result in large-scale outdoor storage.
- Provides more certainty on preferred land uses in South Westminster.

**Cons:**

- Detracts from the legitimacy of the public consultation process related to preparing the South Westminster NCP.
- Further revisions to South Westminster area zoning may be required as a result of the NCP Land Use Plan and implementation strategies.
- Does not address public concerns as voiced during the Public Hearing.

**Recommended Option**

Given Council's directive and the responses received from the property owners and public at the Public Hearings, neither Option 1 nor Option 4 is considered appropriate. Option 2 and Option 3 provide more certainty as to Council's vision for South Westminster, yet do not preclude revisions resulting from the NCP process. Based on the advice of Legal Services, that tabling the By-laws prior to third reading is marginally better from a legal perspective than tabling after third reading, it is recommended that Council table By-law Nos. 14527 and 14528 prior to third reading, pending the completion of the South Westminster NCP. It is further recommended that Council initiate no further rezoning in South Westminster until the South Westminster NCP is completed.

## **Status of In-stream Applications**

Appendix "B" illustrates the location of all of the in-stream applications in the high visibility area of South Westminster. Subsequent to the Public Hearings, related to the subject By-laws on October 22, 2001, Development Permit No. 7901-0179-00 to allow a trucking warehouse at 10077 Grace Road was approved by Council (November 5, 2001) and Development Permit No. 7998-0020-00 to construct two industrial/warehouse buildings at 10128 Grace Road was filed by Council (November 5, 2001), due to inactivity.

Among the in-stream applications within the high visibility area, a number of them have been inactive for some time. It is recommended that Council instruct staff to bring forward inactive applications in the South Westminster area for filing or closure, subject to dialogue with the applicant in each case to confirm their intentions with respect to their application.

Legal Services Division has reviewed this report and is satisfied with its contents.

## **CONCLUSION**

Recognizing the concerns and objections raised at the Public Hearings for the two subject By-law amendments in South Westminster and respecting Council's desire to provide a clear direction to the development community, it is recommended that Council table the subject By-laws pending the completion of the South Westminster NCP. In addition, it is recommended that the PNE Board be invited to appoint a representative to participate on the BAC for the South Westminster NCP and that staff be instructed to bring forward any inactive applications in the South Westminster area for filing and closure after dialogue with each applicant to confirm their specific intentions, with respect to their applications. It is further recommended that a copy of this report be forwarded to the delegations that appeared at the Public Hearings on October 22, 2001.

Murray D. Dinwoodie

General Manager

Planning & Development Department

GK/kms/saw

## **Attachment**

Appendix "A" - Land Use Options for South Westminster

Appendix "B" - In-stream Applications Map and Status

v:\wp-docs\planning\01data\oct-dec\11141109.gk.doc

S 11/21/01 8:13