



POLICY REPORT URBAN STRUCTURE

Report Date: March 23, 2009
Contact: Kevin McNaney
Contact No.: 604.871.6851
RTS No.: 08006
VanRIMS No.: 08-2000-20
Meeting Date: April 7, 2009

TO: Vancouver City Council
FROM: Director of Planning
SUBJECT: Rezoning Policy for "High Tech" Sites in the False Creek Flats

RECOMMENDATION

- A. THAT in advance of the False Creek Flats planning program Council endorse a policy for the consideration of site-specific rezoning of properties zoned as "high tech" to include a broader range of non-residential, job space by adopting the *"False Creek Flats Rezoning Policy: Additional General Office Use in "High Technology" Districts (I-3, Great Northern Way Campus CD-1 (402) and Portions of the I-2)"* as contained in Appendix A, noting that each such rezoning application would be subject to full review and Public Hearing.
- B. THAT Council reaffirm the city-serving, employment and transportation roles of the eastern I-2 area of the False Creek Flats.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of the foregoing.

COUNCIL POLICY

Industrial Lands Policies, 1995: To retain most of the City's existing industrial land base for industry and service businesses.

I-3 District Schedule, 1999: To permit high technology uses in industrial areas that are well-served by rapid transit.

Great Northern Way Technology Park/Campus, 1999: Council rezoned the 11 ha (26 acre) Finning property along Great Northern Way from I-3 to CD-1 to facilitate the development of the Great Northern Way Tech Park. Most of this land was given to a consortium of four academic institutions and now forms the Great Northern Way Campus, with a few eastern parcels remaining in private ownership.

False Creek Structure Plan, 2001 and I-3 District Guidelines, 2002: To guide subdivision and redevelopment patterns in the False Creek Flats and encourage developments that display a high quality of urban design.

False Creek Flats Planning Program, 2003: Council approved a comprehensive planning program for the False Creek Flats to better integrate the I-3 district into the surrounding neighbourhoods, strengthen the I-2 industrial area, and articulate long-range land use and transportation objectives for the Flats.

Metro Core Jobs and Economy Land Use Plan -Issues and Directions Report, 2007: Council endorsed the direction to better integrate the I-3 district into the urban fabric of the surrounding neighbourhoods. Council also approved overall direction to focus job growth on rapid transit, and to create a diversity of job space types across the city.

SUMMARY

In the late 1990s Council rezoned various areas of the False Creek Flats near rapid transit to accommodate high technology firms, allowing "high tech" office and many of the existing I-2 uses, but restricting the amount of general office use and other job uses.

Since that time the "high tech" sector has not grown as quickly as anticipated. It has been difficult for development to proceed due to an inability to secure a sufficient number of "high tech" tenants to meet the zoning requirements. At the same time, the demand for general office uses in the area has increased. For these reasons, this report proposes a policy for the consideration of rezoning to allow general office uses, provided that the site is close to rapid transit.

PURPOSE

The purpose of this report is to recommend that, in advance of the anticipated False Creek Flats planning program, Council endorse the consideration of site-specific rezoning of properties zoned as "high tech" to include a broader range of non-residential, job space by adopting the proposed rezoning policy.

The report also recommends that Council reaffirm the light industrial role of the eastern I-2 area of the Flats. This is important in order to reduce speculation for additional office or other higher revenue uses, which may displace the area's critical Port and city-serving industry and transportation function.

Both of these recommendations are consistent with Council's existing policy direction for the long-term planning of the False Creek Flats.

BACKGROUND

The Role of the False Creek Flats in the City's Economy

The False Creek Flats ("the Flats") is a 125 ha (308 acre) employment area located east of False Creek. It has long been home to Port and city-serving activities, particularly the Port and passenger-serving rail yards in its central and eastern areas. The Flats also contains a diversity of business and industry that support the city's economy including food wholesalers, automotive repair, passenger and freight rail, and various wholesalers.

In 2006, there were approximately 5,800 jobs located in the Flats.

The Metro Core study shows that there is significant potential for both industrial and commercial employment growth in the Flats under current zoning, with the bulk of the commercial job space capacity located in the "high tech" zoning (approximately 3.0 million additional sq. ft. of job space).

The Introduction of "High Tech" Zoning

In 1999, a portion of the Flats was rezoned from I-2 light industrial use to allow high technology office uses in order to meet the anticipated demand for office space for these types of firms. These changes included introducing a new I-3 zoning district schedule, as well as the rezoning of the former Finning Lands into the Great Northern Way Tech Park CD-1 (403).

(There is a small number of properties in the western Flats that are currently zoned I-2 that were also originally intended to be "high tech" I-3. Although close to transit and encapsulated within the I-3 district, these properties were not included in the zoning change because the owner at the time was interested in pursuing development within the I-2 zoning. This development did not occur and these sites are currently owned by different private owners and the City of Vancouver.)

The areas that were rezoned from industrial to "high tech" were chosen because they were close to existing or planned rapid transit, which would minimize the number of employees commuting by vehicle. The I-3 Guidelines, which were adopted in 2002, accentuated the pedestrian accessibility of the built form by requiring building design, landscaping and higher quality public realm that enhance the pedestrian experience.

Current Uses and Densities

Both the I-3 and the Great Northern Way Campus zoning schedules focus on "high tech" uses such as information technology and biotechnology offices, while limiting general office use. They also continue to allow many compatible industrial uses that were permitted under the previous zoning.

The I-3 zoning also places additional restrictions on restaurant and retail space, and customer-based businesses (such as insurance agencies, travel agencies and real estate) in an effort to limit the amount of customer traffic. Restrictions are also placed on higher-revenue offices, such as lawyers and accountants, which are encouraged to locate in prestige office districts such as the Central Business District.

In terms of general office uses in the I-3 District, information technology is permitted outright up to 1.0 FSR and conditionally up to 3.0 FSR, which is the maximum for all uses. A limited number of general office uses are currently permitted conditionally up to a maximum of 1.0 FSR. However, the floor area for general office uses may not exceed 33 percent of the total building area.

The Great Northern Way CD-1 currently permits up to 2,850,000 sq. ft. of floor space allocated to various subareas of the campus, each with its own height and built form regulations. Of the total permitted floor space, 930,000 sq. ft. (33 percent) can include office, retail, and hotel; 180,000 sq. ft. is permitted for "live-work"; and the remaining floor space can be a combination of "high tech", light industrial and associated office, service, and university and college uses. Most of the more diverse uses are permitted in the western subareas while the eastern subareas contain largely "high tech" uses.

Built Form

The I-3 Guidelines stipulate a built form that is very different from the downtown office building model. The Guidelines call for a lower form (outright height of 60 feet, relaxable to 100 feet) with larger floor plates in more of a "campus-like" environment. The Guidelines call for a high degree of architectural rigour to ensure that the individual buildings create an overall office district with well-considered urban design.

Although there are separate guidelines for the Great Northern Way Campus, the urban design and built form in many ways is similar to that called for in the I-3 Guidelines, while introducing height limitations that generally increase in height from east to west to respect views from China Creek Park and Mount Pleasant.

Challenges with the "High Tech" Zoning

Since the adoption of the "high tech" zoning, the market demand for office space from these firms has softened considerably and there has been little development within these zoning districts.

Although "high tech" firms generally have space requirements and worker densities similar to general office uses, the "high tech" zoning limits the amount of conventional office space. This has deterred new job space development. There has been a number of development enquiries within these districts, but very few have come to fruition. The poor take-up of this zoning is due to the difficulty in securing "high tech" tenants to meet zoning requirements, and the unwillingness of developers to build speculatively given the inherent risk of the narrowly-defined uses.

Several landowners in this area have expressed a desire to increase the amount of general office use or other job space uses in their proposed developments. Up to this time, City staff

have given consistent advice that significant zoning changes would not be considered pending the completion of the False Creek Flats planning program or the Great Northern Way Campus planning program.

Anticipated Long Term Planning for the Flats and Great Northern Way Campus

The Council-approved False Creek Flats program completed its first phase in 2005, and was due to report back to Council with a revised Terms of Reference for the second phase. At that time, however, staff resources were re-allocated in order to meet the timelines of the Southeast False Creek area planning. Staff intend to bring a revised Terms of Reference for Council approval in mid-2009 and comprehensive planning should take approximately one year, assuming that staff resources are available given current budget considerations.

The four universities that comprise the Great Northern Way Campus consortium have also approached the City about revisiting their existing CD-1 zoning through a comprehensive, cost-recovered major projects planning process. Discussions are ongoing between City staff and the consortium about the possible process, which is expected to involve preparation of a site-wide Policy Statement, followed by rezoning. Staff will report to Council with a proposed planning program at a future date.

DISCUSSION

Recommendation A is that Council instruct staff to begin considering site-specific rezonings to increase flexibility in the type of job space permitted in these "high tech" areas of the Flats, in advance of more comprehensive planning for the entire False Creek Flats (see the proposed rezoning policy in Appendix A).

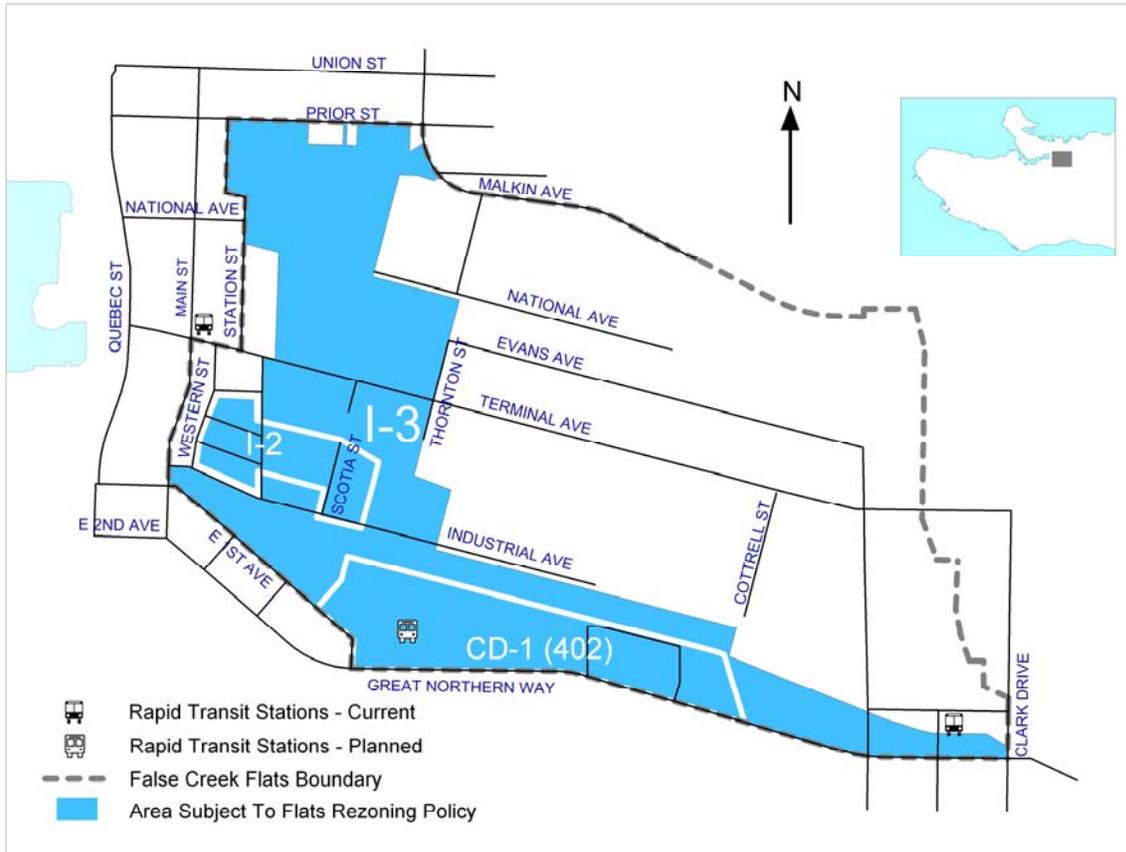
The rezoning policy is proposed at this time as the city benefits from additional job space near transit, and the I-3 district does not allow the breadth of job space that the market seeks.

The proposed policy is consistent with Council direction to better integrate the "high tech" areas in the western and southern Flats into surrounding neighbourhoods, to create diverse types of job space across the Metro Core, and to focus job growth near rapid transit.

As such staff are confident that the policy changes will not undermine any future long term land use and transportation planning in the Flats.

Areas Affected by the Proposed Policy

There are three areas within the Flats where the proposed rezoning policy would be supportive of site-specific rezoning to a broader range of general office and job space uses for sites that are within reasonable walking distance of rapid transit. These areas are indicated in Map 1.

Map 1: The proposed False Creek Flats Rezoning Policy area

Note: the majority of the eastern Flats is zoned I-2.

The proposed rezoning policy would apply to the I-3 district as well as the Great Northern Way Campus CD-1 (402), both of which currently have significant development allowances for "high tech" use. The policy would also apply to a small number of properties in the western Flats that are currently zoned I-2 but which, as explained above, were originally intended to be in the I-3 district given their close proximity to current and future rapid transit, including the proposed street car.

Increasing Flexibility in Permitted Office and Job Space Uses

The proposed rezoning policy (Appendix A) would increase the flexibility of office and the job space uses within the "high tech" districts. Information technology and other "high tech" uses would continue to be permitted, but the policy would signal Council's willingness to consider rezonings for general office uses of up to the current overall maximum density in the existing district. While the intent is for development to remain within the maximum overall density for the existing zoning district, modest increases in density may be permitted if the development meets the urban design and built form parameters of the District Guidelines (I-3 District Guidelines or Great Northern Way Technology Park CD-1 Guidelines).

All other uses that are currently permitted in the existing zoning would be permitted in the new zoning, including compatible industrial uses and local area serving restaurants.

Allowing general office use would also remove the current restriction on certain office types (for example, travel agencies and real estate firms) within the zoning district. These uses were originally excluded to attempt to limit customer traffic. Staff support the removal of this limitation given the provision that all rezonings allowed under this policy are to be within demonstrable walking distance to public transit, and the existing District Guidelines already have a strong focus on developing a high quality public realm to encourage walking and cycling.

Form of Development

The policy intends that any resulting developments would remain within the existing height, setback and massing guidelines of the I-3 District Guidelines and the Great Northern Way Technology Park CD-1 Guidelines. These guidelines call for a large floor plate massing with strong urban design and pedestrian realm.

This form of development is important for meeting the need identified through the Metro Core Jobs and Economy Land Use Plan for diverse job space. This will be a very different form of development from the office space in the office towers of the Central Business District and the Central Broadway Business District ("Uptown"). It is expected that this space will provide much-needed diversity within the city for business uses requiring larger floor plates, such as "back of office" uses, business services, and engineering firms.

Affirmation of the I-2 in the Eastern Flats

Recognizing the importance of service and support activities to the city and the Port, and given concerns about the conversion of industrial land to other uses, Council adopted the Industrial Lands Strategy in 1995. The vacancy rate for industrial land in the city and across the region remains very low.

The I-2 lands in the eastern portion of the False Creek Flats perform a critical role in supporting the city's economy, and providing a location for businesses, services and the rail yards crucial to the functioning of the nearby downtown core and the Port. Any change of use in these areas needs to be considered in light of the forthcoming False Creek Flats planning program. Recommendation B asks that Council reaffirm the current role of the eastern I-2 lands in the Flats to reduce any speculation that the proposed rezoning policy may be applied to sites within this industrial district.

Public Consultation

This report does not change any existing zoning or general form of development, but rather recommends a rezoning policy to guide individual development enquiries that seek to broaden the general office use mix of "high tech" sites through rezoning. Each of these rezoning applications will require consultation with local residents and affected interests before proceeding to Public Hearing.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

In light of the modest level of demand for "high tech" job space over the past decade in the areas zoned for this use within the False Creek Flats, this report proposes to add more flexibility to accommodate more general office use and other associated job space through the rezoning of sites with good access to rapid transit. The proposed rezoning policy sets out parameters that will ensure that any rezoning will be consistent with future comprehensive land use and transportation planning for the False Creek Flats.

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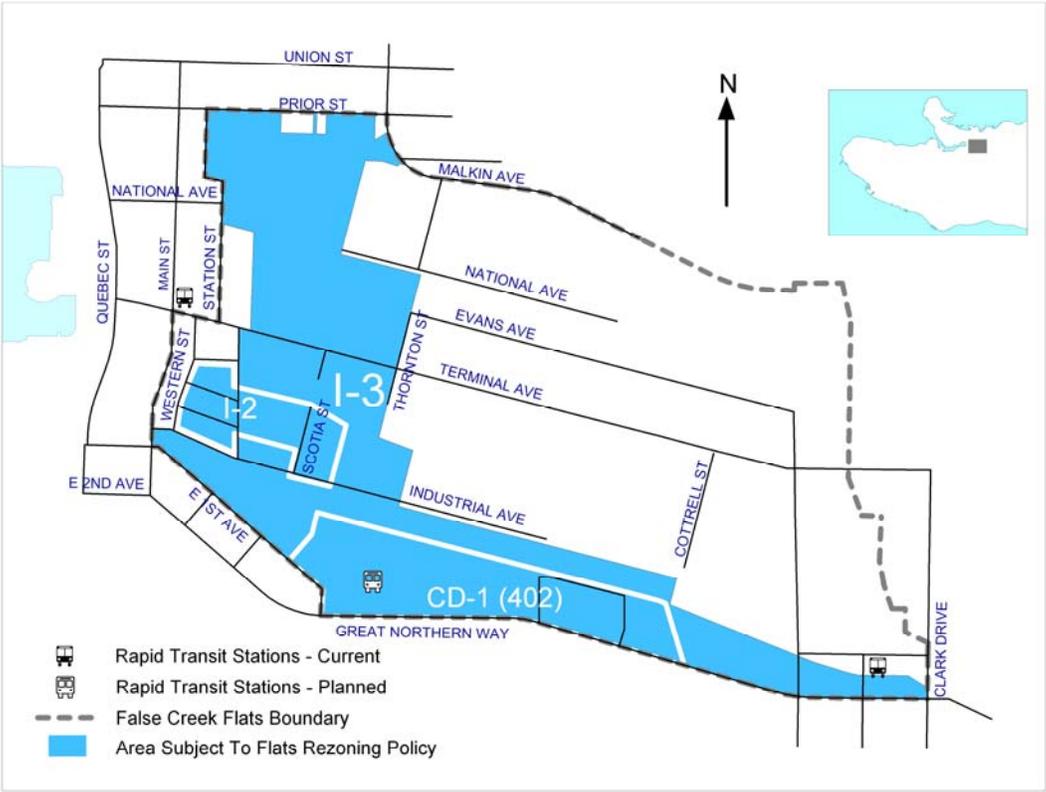
False Creek Flats Rezoning Policy: Additional General Office Use in “High Technology” Districts (I-3, Great Northern Way Campus CD-1 (402) and portions of I-2)

DRAFT - March 23, 2009

1.0 Application and Intent

The intent of this policy is to provide guidance for broadening the range of permitted office uses in areas zoned for high technology in the False Creek Flats (“the Flats”), while providing opportunities to intensify employment near existing or planned rapid transit.

This rezoning policy applies to all sites in the I-3 district and within the Great Northern Way Campus CD-1 (402). The policy also applies to a limited number of sites zoned I-2 in the western Flats near existing rapid transit. These areas are identified in the map below:



2.0 Rezoning for General Office Use

Rezonings that include general office use may be considered under the following conditions:

- General office use may be permitted up to the maximum overall density permitted in the existing zoning district. Modest increases in density may be considered where the form of development reflects the urban design parameters and the height and massing specifications in the relevant District Guidelines.
- The site should be within realistic walking distance of an existing rapid transit station, or station anticipated to be constructed within a reasonable time. In recognition of the difficult pedestrian connectivity in the Flats resulting from a limited road network and extensive rail yards, pedestrian routing with viable, existing pedestrian linkages to the rapid transit station must be demonstrated.
- Rezonings in the I-3 and western I-2 areas should adhere to urban design and built form guidelines of the I-3 District Guidelines, parking regulations that apply to the existing zoning district, as well as other relevant Council-approved policies.
- Rezonings for sites within CD-1 (402) should adhere to the urban design and built form guidelines of the Great Northern Way Technology Park CD-1 Guidelines, parking regulations that apply to the existing zoning district, as well as other relevant Council-approved policies.

3.0 Compatible Uses

Rezonings may include uses that are currently permitted in the existing zoning district, including compatible industrial uses. Rezonings may also include uses that are supportive of the needs of area employees such as child care, local area serving restaurants and other relevant services.