

AGENDA INFORMATION	
<input checked="checked" type="checkbox"/> Regular Meeting	Date: June 17, 2019
<input type="checkbox"/> Other:	Date: _____



The District of North Vancouver REPORT TO COUNCIL

June 3, 2019
PRE2018-00019

AUTHOR: Kevin Zhang, Development Planner

SUBJECT: Preliminary Application for Subdivision at 1371 McKeen Avenue –
Input to Approving Officer

RECOMMENDATION

THAT Council provide input to the Approving Officer with respect to the proposed subdivision of 1371 McKeen Avenue.

REASON FOR REPORT

The owner of 1371 McKeen has submitted a preliminary application to subdivide 1371 McKeen Avenue. Please see Attachment 1 for the proposed subdivision plan, and Attachment 8 for the applicant's subdivision summary letter. Council has appointed an Approving Officer who must independently apply provincial statutes and local bylaws regarding subdivision, and use his own discretion in making decisions regarding subdivision approval.

One of the Approving Officer's considerations is whether the subdivision is against the public interest. In forming an opinion about public interest, the Approving Officer may interpret public policy as expressed in the Official Community Plan, other bylaws or municipal policy statements.

This report has been prepared as the Approving Officer would like to hear from Council, just as he is hearing from others with an interest in this subdivision application, regarding the public interest as it relates to this proposed subdivision. However, the Approving Officer is not looking for specific instruction from Council in regard to the application, as the subdivision decision is within the exclusive jurisdiction of the Approving Officer.

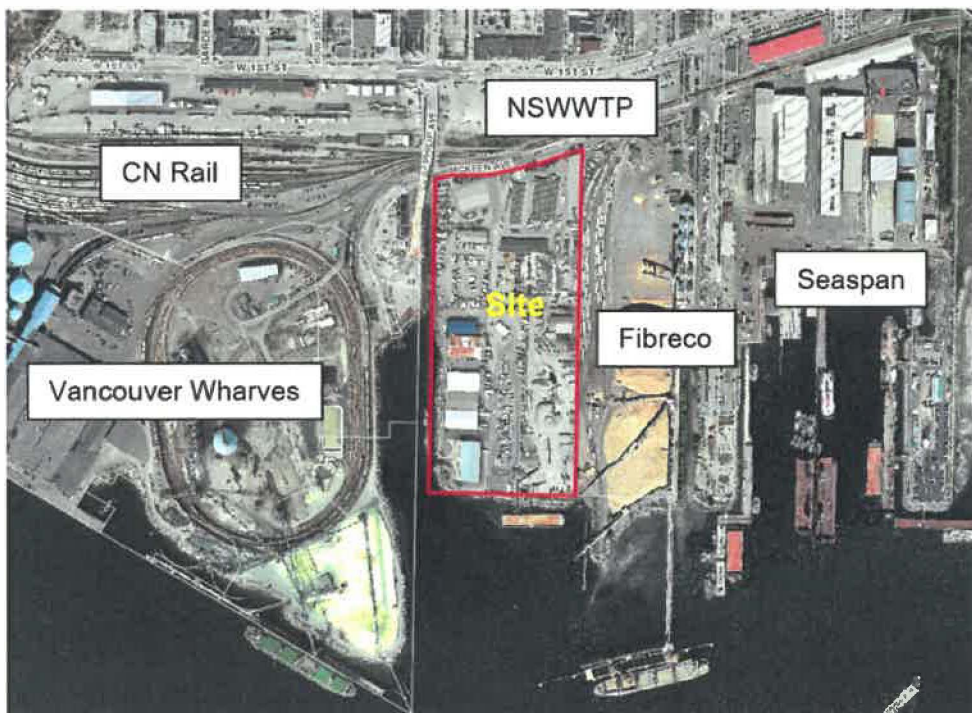
BACKGROUND

The site is located in the western waterfront industrial area of the District and is approximately 27 acres in size (11 hectares) and designated Industrial (IND) in the District's Official Community Plan ("OCP"). It is zoned EZ-I (Employment Zone Industrial).

The site has vehicular access via the new Philip Avenue Overpass, and marine access via the Burrard Inlet. CN rail runs parallel to the northern edge of the property.

Surrounding the site are a variety of heavy industrial operations. West of the subject property are the CN rail yards, and the Vancouver Wharves Terminal, currently used for storing and shipping liquids and mineral concentrate. North of the site is the CN Rail line and the new North Shore Waste Water Treatment Plant site. East of the site is the Fibreco Terminal which specializes in the transshipment of wood and agricultural products. Further east is the Seaspan ship building facility.

The site is currently used by a variety of industrial and commercial tenants, including self storage, landscaping, port-oriented use, and a concrete plant.



SUBDIVISION PROCESS AND ROLES

On February 16th, 2019, the Approving Officer provided Council with a report and presentation regarding subdivision and the role and authority of Approving Officers and Councils. Please see item 3.2 of the following Workshop Agenda:

<https://app.dnv.org/OpenDocument/Default.aspx?docNum=3872817>

In summary, the *Land Title Act* prohibits the deposit of any subdivision plan unless the Approving Officer has approved it. The Provincial legislature, via the *Land Title Act*, has delegated to the Approving Officer a relatively wide discretion in this regard. While the Approving Officer for a municipality is appointed by the municipal council, he or she must exercise this discretion independently.

There are many technical considerations set out in the *Land Title Act* and elsewhere which must be considered by the Approving Officer in deciding whether to approve or reject a proposed subdivision. For example, the Approving Officer must consider the sufficiency of road access when considering a proposed subdivision, and he or she must consider compliance with local government bylaws.

In addition to the technical considerations that must be considered by an Approving Officer, he or she may refuse to approve a proposed subdivision if he or she determines, in his or her discretion, that it is against the public interest. In assessing the public interest, an Approving Officer may ask others, including Council, for their comments and opinions, provided that it is understood that the Approving Officer is not bound by said comments and opinions.

ANALYSIS

Subdivision Proposal

This preliminary subdivision application, submitted by InterCAD Services on behalf of the property owner Wesbild, proposes to subdivide a 27-acre waterfront industrial property into seven lots, ranging in size from 0.67 acres to 11.6 acres. No changes on the existing port-oriented and marine service uses are proposed by the applicant on proposed Lot 7.



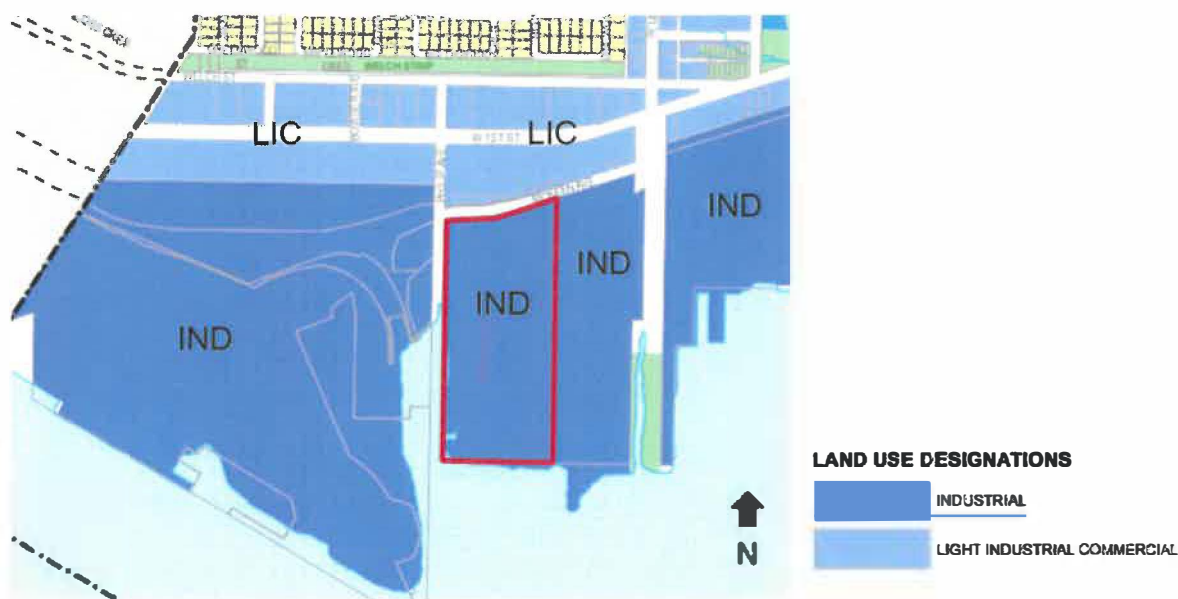
Aerial image (2016) Preliminary Subdivision Plan



Conceptual Rendering Looking Southwest (existing businesses/facilities labeled in white)

District Official Community Plan (“OCP”)

OCP policies and objectives may be taken into account by the Approving Officer when considering the public interest in the context of a subdivision application.



OCP Land Use Map

There are two OCP land use designations that are of significance in relation to this proposed subdivision application:

IND (Industrial)

Areas designated for industrial are intended predominantly for a range of manufacturing, warehousing, transportation, service, and port-related uses. Limited office, limited retail and residential caretaker uses may be permitted.

The subject site has this IND land use designation.

LIC (Light Industrial Commercial)

Areas designated for light industrial commercial are intended predominantly for a mix of industrial, warehouse, office, service, utility and business park type uses. Supportive uses including limited retail and limited residential uses may be permitted.

Staff are of the view that these two designations read-together mean that under the OCP land designated IND is not intended to be used, at least not predominantly, for business park uses.

The text in Section 3 of Part 1 of the OCP describes these two designation as follows:

“Uses in the Industrial designation relate to port-oriented and major industrial type uses such as transportation, warehousing, and manufacturing. Port Lands are under federal jurisdiction and are managed by Port Metro Vancouver. Uses in the Light Industrial Commercial designation relate to light industrial and business or “tech” park type uses including research and development. Most retail uses are restricted in both designations, as the walkable and transit-friendly network of centres are better locations for these types of business.”

In addition, the OCP contains other policies that may be relevant to the public interest in relation to this proposed subdivision including the following:

1. Encourage a productive and efficient use of employment lands.
2. Encourage infill development and the redevelopment of under utilized sites with Industrial and Light Industrial Commercial uses.
3. Direct major office uses to sites within and proximate to the network of centres.
4. Preserve Industrial designated lands for industrial uses and uses that are accessory or supportive of industrial activities.
5. Promote infrastructure, transportation and municipal service improvements in areas designated for Industrial and Light Industrial Commercial uses.
6. Promote major job growth or intensification in locations and at densities that support travel by walking, cycling and transit.
7. Protect employment lands by limiting to uses predominantly associated with heavy industry, light industry, and general business and by limiting residential and retail uses.
8. Support a diverse and resilient local economy that provides quality employment opportunities.
9. Encourage the protection, intensification and diversification of our employment lands.
10. Concentrate new retail, service and major office development in the Town Centres to maximize transit and pedestrian access for employees and customers.
11. Monitor the availability of Industrial and Light Industrial Commercial land and developable floor space to facilitate an adequate supply for economic growth

Regional Context Statement

There are strategies in the District's regional context statement directing major office development to centres and frequent transit development areas, as well as supporting and protecting industrial uses on industrial lands. We note that the subject site is not in a centre or frequent transit development area.

Zoning

The proposed land is zoned EZ-I (Employment Zone Industrial). This zoning predates the OCP. The proposed subdivision is not inconsistent with, and does not contravene, the EZ-I zone subdivision regulations (e.g. minimum lot size). As a result, the proposed subdivision would not require any rezoning. However the proposed development within the subdivided parcels may ultimately require a Council-issued height variance, if the development exceeds the maximum allowable height in the Zone (25 metres).

With a few exceptions there are no density or gross floor area restrictions applicable to the permitted uses in the EZ-I zone, and therefore this proposed subdivision would not result in any significant increase or decrease in the maximum allowable density or gross floor area on the subject site. One important exception to this relates to Office Use (a conditional use). The conditions of Office Use is that it:

- A. must be located on the upper floors of an industrial building;
- B. cannot exceed the combined floor area of unconditional uses (manufacturing, port-oriented, service, transportation, waste and recycling, or warehouse);
- C. and in no case exceed a total of 2,500 m² per lot.

As a result, if this proposed seven-lot subdivision is approved, the maximum allowable office use floor space would potentially increase from 2,500 m² to 17,500 m². The above-noted conditions A and B would also continue to apply to each lot.

The intent of the EZ-I zone, as set out in Section 750.01 of the Zoning Bylaw, is as follows:

“The intent of the Industrial Zone is to accommodate port oriented uses and general manufacturing and other industrial activities on lands adjacent to the Port and the rail corridor. It is expected that uses in the Industrial Zone will be industrial in character and impact.”

The potential increase in maximum allowable office use should be considered in the context of the existing zoning and subdivision application.

Preservation of Waterfront Industrial Land

As noted above, one OCP objective is the preservation of Industrial designated lands for industrial uses and uses that are accessory or supportive of industrial activities. In this regard, we note that the McKeen site is one of 7 waterfront industrial properties on the North Shore that is greater than 10 hectares in size.

Increase in Employment Generating Floor Space

The OCP targets a 33% increase in built square feet on employment lands by 2030. This proposed subdivision and the development that it would support the progress towards this target. It would also be consistent with the OCP policy of encouraging infill development and redevelopment of under-utilized sites.

PUBLIC INPUT

Notifications were sent to surrounding neighbours, Vancouver Fraser Port Authority, Metro Vancouver, neighbouring municipalities, the Norgate Park and Pemberton Heights Community Associations, the North Shore Waterfront Liaison Committee, and other stakeholders.

Feedback Summary

This section summarizes the feedback received. Each submission is attached to this report.

Metro Vancouver (Attachment 3)

Metro Vancouver does not have policy on the subdivision of industrial land, but has proposed policy on the intensification of industrial lands in the form of the “RGS Implementation Guideline #5 Metro Vancouver Industrial Land Protection and Intensification Policies.” While the guideline document provides intensification strategies for general industrial land, it does not have specific policies for large, waterfront industrial sites.

North Shore Waterfront Liaison Committee (Attachment 4)

The NSWLC expressed interest in public access to the waterfront and concerns around traffic and parking of a new employment-dense area.

North Vancouver Chamber (Attachment 5)

The Chamber conducted stakeholder engagement through interviews and roundtable sessions and provided the input below:

1. Overall, there was no opposition to the subdivision.
2. Stressed the importance of protecting industrial waterfront land.
3. Concerned about the potential degradation of irreplaceable waterfront land suitable for logistics port uses, and the cascading impact of subdivision on rising property values.
4. Concerned about subdivision leading to more owners, voicing concerns about impacts or disturbances.
5. Identified various transportation and emergency access issues that must be resolved.
6. Identified potential public transit options should employment grow in this area.

Vancouver Fraser Port Authority (Attachment 6)

The VFPA “does not support the subdivision of viable trade-enabling industrial land parcels because it diminishes their future potential to support goods movement, inflates the value of trade-enabling industrial land, and potentially introduces uses that conflict with trade and goods movement.” They also noted that “in this case, subdividing this parcel will significantly reduce the amount of land comprised in the existing lot that will have direct marine access, diminishing its potential to support goods movement.”

Pemberton Heights Community Association (Attachment 7)

The PHCA is supportive of “these renewal plans” due to the potential for increasing industrial space and public access to the foreshore. The association also supported the retention of the marina and the environmental rehabilitation of the Philip bight (a curve or recess in a coastline).

Norgate Park Community Association

No concerns expressed regarding the subdivision application.

Local Business and Real Estate Representatives

Approximately ten representatives from local businesses and real estate agencies expressed support for this subdivision proposal citing the need for more industrial/warehousing spaces on the north shore, the current under-utilization of the subject property, and the desire to own or lease a portion of the proposed developments in the future.

CONCLUSION

The Approving Officer wishes to obtain Council input on this preliminary application for subdivision of 1371 McKeen Avenue. Possible resolutions that Council may consider in response to this request are as follows:

1. With respect to the Approving Officer's consideration of the public interest in relation to the proposed 7 lot subdivision of 1371 McKeen Avenue, Council is of the opinion that the protection and preservation of lands suitable for larger scale port related industrial uses should be of paramount importance.

or

2. With respect to the Approving Officer's consideration of the public interest in relation to the proposed 7 lot subdivision of 1371 McKeen Avenue, Council is of the opinion that the encouragement of infill development and the redevelopment of under utilized sites with a view to intensifying the use and development of the employment land base in the District should be of paramount importance.

or

3. With respect to the Approving Officer's consideration of the public interest in relation to the proposed 7 lot subdivision of 1371 McKeen Avenue, Council is of the opinion that: *[some other policy statement with respect to the public interest]*.

Respectfully submitted,

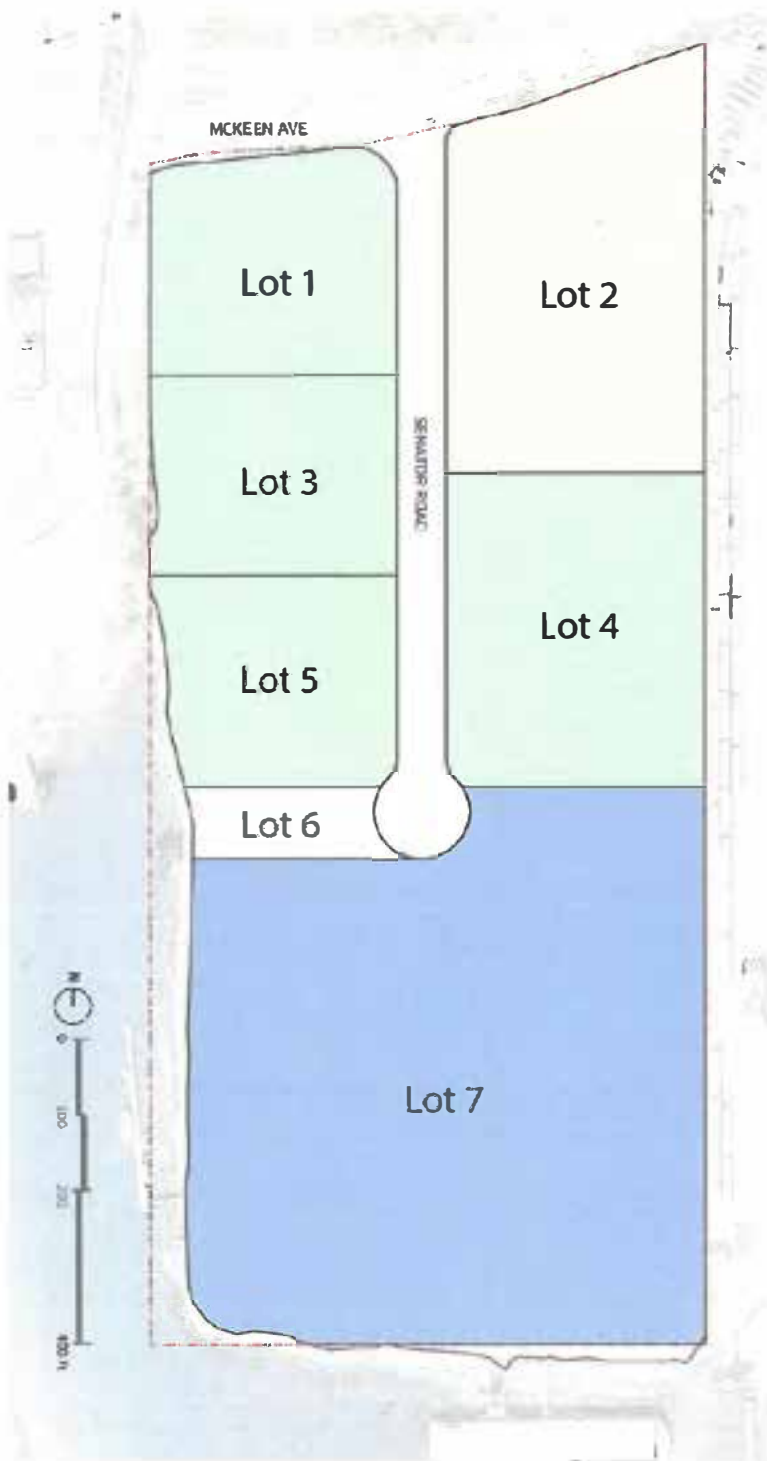


Kevin Zhang
Development Planner
Planning, Properties, and Permits

ATTACHMENTS

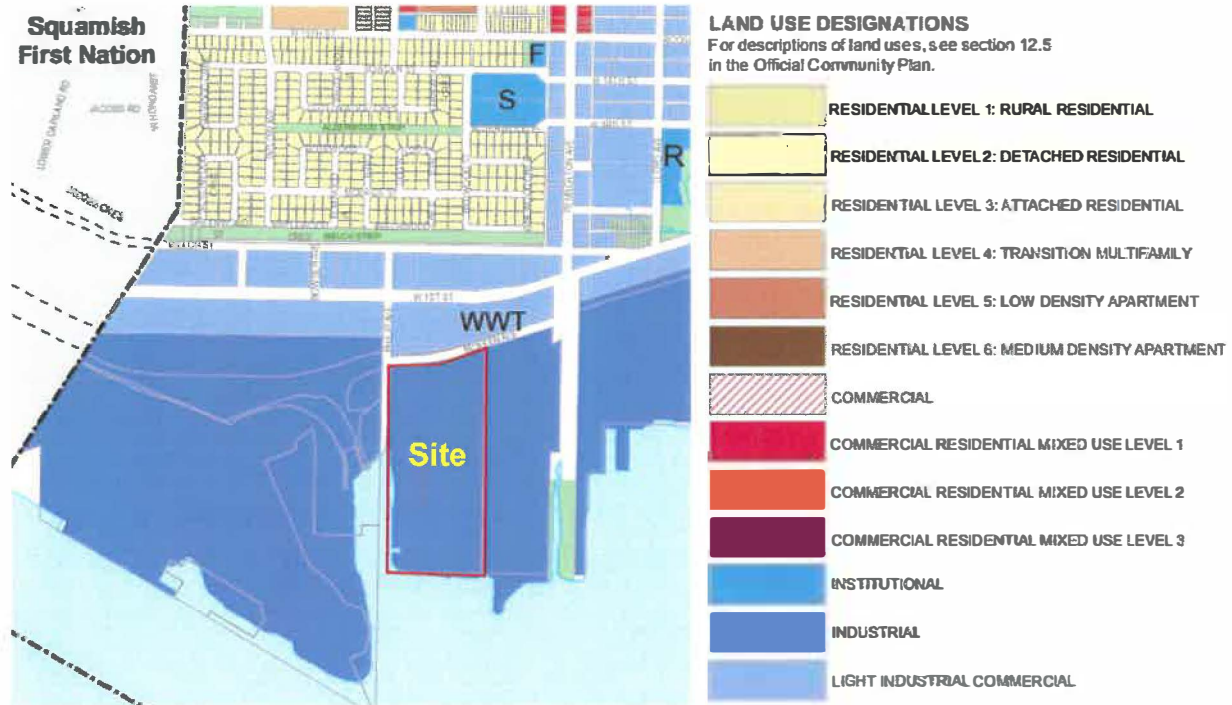
1. Subdivision Plan
2. Official Community Plan Land Use Map
3. Metro Vancouver Feedback
4. North Shore Waterfront Liaison Committee Feedback
5. North Vancouver Chamber Feedback
6. Vancouver Fraser Port Authority Feedback
7. Pemberton Heights Community Association Feedback
8. Applicant Subdivision Summary Letter

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev.	<input type="checkbox"/> Clerk's Office	External Agencies:
<input type="checkbox"/> Development Services	<input type="checkbox"/> Communications	<input type="checkbox"/> Library Board
<input type="checkbox"/> Utilities	<input type="checkbox"/> Finance	<input type="checkbox"/> NS Health
<input type="checkbox"/> Engineering Operations	<input type="checkbox"/> Fire Services	<input type="checkbox"/> RCMP
<input type="checkbox"/> Parks	<input type="checkbox"/> ITS	<input type="checkbox"/> NVRC
<input type="checkbox"/> Environment	<input checked="" type="checkbox"/> Solicitor	<input type="checkbox"/> Museum & Arch.
<input type="checkbox"/> Facilities	<input type="checkbox"/> GIS	<input type="checkbox"/> Other:
<input type="checkbox"/> Human Resources	<input type="checkbox"/> Real Estate	

Proposed Subdivision Plan

Lot	Size
1	0.89 ha (2.19 ac)
2	1.62 ha (4.00 ac)
3	0.82 ha (2.02 ac)
4	1.32 ha (3.26 ac)
5	0.86 ha (2.13 ac)
6	0.27 ha (0.67 ac)
7	4.71 ha (11.63 ac)
Senator Road	0.65 ha (1.61 ac)

Official Community Plan Land Use Map





DEC 12 2018

Planning and Environment
Tel. 604 432-6215 Fax 604 436-6901

File: CR-07-01-NVD

Kevin Zhang, Development Planner
District of North Vancouver
355 West Queens Road
North Vancouver, BC V7N 4N5
VIA EMAIL: zhangk@dnv.org

Dear Mr. Zhang:

Re: Comments on Preliminary Application for Subdivision - 1371 McKeen Avenue

Thank you for forwarding the Preliminary Application for Subdivision- 1371 McKeen Avenue in the District of North Vancouver to Metro Vancouver. We appreciate the opportunity to comment on changes to industrial land uses that may have regional implications. We have distributed the referral to all applicable departments at Metro Vancouver.

The property is currently occupied by a variety of industrial-employment activities and adjacent to other existing heavy industrial activities. The regional land use designation is "Industrial". The Municipal OCP land use designation is "Industrial" and the land is zoned "Employment Zone Industrial." The proposal does not include a land use designation or zoning change. Retaining the *Metro 2040* Industrial designation is consistent with *Metro Vancouver 2040: Shaping our Future Strategy 2.2 "Protect the supply of industrial land"*.

Metro Vancouver does not have policy on the subdivision of industrial land, but has produced policy guidance on the intensification of industrial lands. You may wish to refer to *RGS Implementation Guideline #5 Metro Vancouver Industrial Land Protection and Intensification Policies* which can be found at www.metrovancouver.org.

We understand that the subdivision may trigger a servicing requirement. Water servicing on this site would be coordinated by District of North Vancouver. Impacts on water demand, if any, are anticipated to be negligible from a regional perspective – the application contains no specific information on anticipated changes in water demand. Metro Vancouver's Liquid Waste Services would like to be informed of any increase in sewer volumes in order to get a better idea on any impact to the regional system. This is usually completed through the standard 35C application form for extension of the sewer system which is available on the Metro Vancouver website.

27778911

If you have any questions with respect to these comments, please do not hesitate to contact me at erin.rennie@metrovancover.org or 778-452-2690. Thank you for the opportunity to review this application.

Sincerely,



Erin Rennie
Senior Planner, Regional Planning

ER/jo

7778911

Kevin Zhang

From: Chungh, Ram <Ram.Chungh@portvancouver.com>
Sent: December 14, 2018 11:01 AM
To: Kevin Zhang
Cc: Horsford, Naomi
Subject: Comments to Dist of North Vancouver from NSWLC - proposed subdivision 1371 McKeen Ave

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: 1371 McKeen

Hi Kevin,

Thank you for presenting at the last NSWLC meeting in November. I have gathered all the comments from the meeting and the committee has agreed on the below to provide the District:

- Provide public access to the waterfront along the west side of the property
- Address the impacts to traffic and what that will look like with the addition of staff and others driving to the location
- Outline what the plan is, in terms of traffic and congestion to nearby roads, which are already heavily used
- Provide information on where parking for staff is planned
- Research a bus service from this labour intensive industrial area that feeds into the regular transit system
- Research a water taxi service from this area to the SeaBus Lonsdale Quay terminal or nearby public pier
- Although mitigation measures are planned, the timing of those mitigation measures is equally important. Mitigation should start early for traffic congestion etc.
- CN noted that train traffic will not decrease, but will increase. Passengers on a CN track would not be favourable for CN, and using existing trackage is not an option for the movement of passengers.

Thanks, Kevin.

Please let me know if you have any questions.

Ram Chungh

Public Affairs Specialist

[Representing the North Shore Waterfront Liaison Committee]

Vancouver Fraser Port Authority

100 The Pointe, 999 Canada Place
Vancouver, B.C. Canada V6C 3T4

P: 604.665.9329

portvancouver.com



Nov 29th, 2018

District of North Vancouver
Attention: Kevin Zhang, Community Planner
Email: zhangk@dnv.org

Re: Stakeholder Feedback on Preliminary Application for Subdivision - 1371 McKeen Ave

Dear Mr. Zhang,

I am writing in response to your outreach and letter dated November 6th 2018 from the District of North Vancouver (the "District") on the North Vancouver Chamber (NVC) providing feedback on Preliminary Application for Subdivision at 1371 McKeen Ave (the "Amendments").

1.0 Engagement Process

NVC completed an engagement process inclusive of a variety of mechanisms and with a cross-section of potentially-affected and interested stakeholders. The process included:

1. Solicitation of feedback directly through face-to-face interviews, phone and email outreach with local EZ-I zoned port businesses, including other interested employers in Harbourside area ; and
2. Facilitation of a roundtable engagement session on November 21st 2018 at the North Vancouver Chamber office at 102-124 West 1st Street, North Vancouver.

A list of stakeholders NVC engaged in this process is provided in Appendix A.

2.0 Issues & Input

Overall, there was no opposition to the subdivision of the property being discussed. However, the following issues of concern were raised:

1) Protection of Industrial Land

The section of land under discussion is a critical piece of property – it is both industrial land and waterfront. It is recognized that this application is for a sub-division and that at this point there is no intent to re-zone this land from its current EZ-I. We strongly support that the property remain within Industrial zoning for industrial use for existing and future use.

Industrial lands are important to the North Vancouver economy. Strong local economies require "readily available, high paying, employment-generating industrial lands".

North Vancouver EZ-I zoned businesses:

- Contribute more than \$800 million in GDP annually to North Vancouver;
- Contribute more than \$16 million in tax revenue annually to North Vancouver;
- Create and support over 13,000 direct, indirect and induced jobs within North Vancouver now and for the next 20-30 years ;
- Typically generate jobs that pay double the annual average compensation rate per person ;
- Intensively invest in the community and local infrastructure (For example: Since 2014, Seaspan has spent more than \$109 million with 160 local North Vancouver suppliers and invested \$155 million to date on its shipyards modernization project); and
- Support Canada's largest port, a gateway for trade that is of major national significance.

2) Future Economic Viability of Waterfront Land for Unique Logistics Port Use

It is well understood that there is a shortage of industrial land in North Vancouver. There is, however, a concern that there is potential degradation of the use of unique, and irreplaceable, industrial waterfront property.

The relatively high purchase price of the industrial waterfront property in question (compared to adjacent properties) resulted in a property value that is no longer economically viable for industrial logistics activity. The concern is that the consequent sale price of this land after subdivision will have a cascading impact on assessments and economic viability of this land and similar parcels for industrial logistics activity. (i.e.: the "Coal Harbour effect").

3) Subdivided land - More Voices

There is a concern that with a subdivision of this property, there will be more new owners who may voice concerns about the impact or disturbance from the existing neighbouring waterfront industrial operations. There are also potential small residential properties allowed within the EZ-I zoning that could add to that voice. We trust the District will consider this anticipated concern as site use is agreed to in the future. Industrial zoning needs to allow for industrial activity.

4) Transportation – Area and Site Access

- a) **Current Road/Rail Routing:** There is no interest in shifting the location of the existing rail and road corridor - it needs to stay the way it is (north of McKeen Ave).
- b) **Safety and Emergency Access:** The subdivision of the land will likely result in more people and additional traffic in the area. That will raise the risk of a harmful incident and heightens the need to address industrial safety and emergency response needs. **Emergency crossings are required.** The Phillips Ave Overpass is currently the only access to the area. If Phillips Ave Overpass is blocked for any reason, a second reliable and well maintained emergency access is required. For example, access at Pemberton Ave needs to be established, and properly maintained (see Fig 1 & 2 below), for:
 - (1) evacuation of industrial sites in case of emergency
 - (2) alternate access for movement of employees, goods and services



Figures 1 & 2: Pemberton Ave rail crossing looking North (l) & South (r)

- c) **Transportation challenges need to be addressed:** The proposed subdivision will likely result in even more people needing access to and from the area for work, service, and amenities. Options that would help mitigate these traffic challenges include:
- i) **Bus routing at 1st street:** It is well understood that the current bus routes are a deterrent to getting employees to work via transit, as they do not stop anywhere close to the waterfront.
 - ii) **Pedestrian Overpass at Pemberton:** We strongly support the proposed pedestrian overpass at Pemberton Ave. This community amenity will serve to reduce vehicle traffic on the Phillips Ave overpass, and provide much needed pedestrian and cycle access to transit and local commercial and retail services.

5) Existing & Future Land Use Considerations

- a) **Existing Uses:** Lafarge aggregate has and is providing barge access and eliminates vital aggregate supply to other businesses. For example, the Lafarge water access allowed the Acciona NSWWTP Project to deliver over 30,000 loads (30,041) of aggregate to the Project Site with minimal negative impact to Lower Lonsdale and Low Level Road traffic by using the McKen Avenue / Phillips Ave overpass exclusively for aggregate deliveries.
- b) **Future Uses: Workforce Transportation to Waterfront & Area employers.** The waterfront businesses and properties in the western areas of North Vancouver (Pemberton, Harbourside, etc.) provide many thousands of well paying jobs – many of the people in those jobs live and commute from outside North Vancouver (see Figure 3 below).

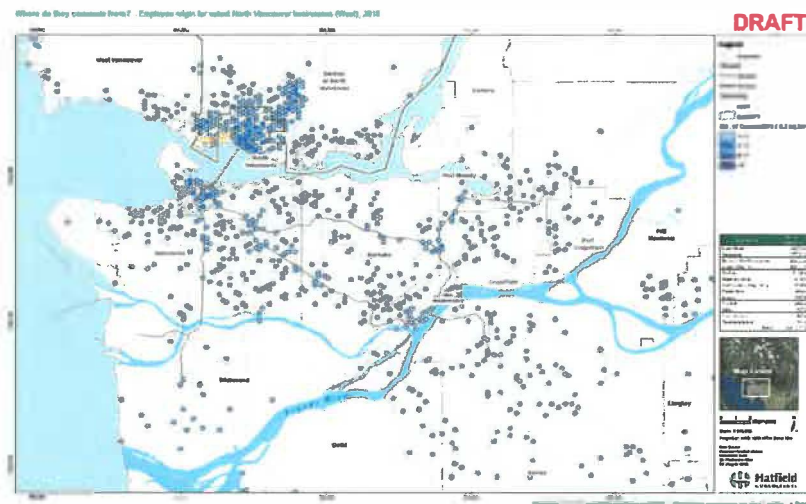


Figure 3: Where do they commute from? North Vancouver - Pemberton/Waterfront

Transportation, and getting employees to work is the largest economic barrier in North Vancouver. The INSTPP (Integrated North Shore Planning Project) report identified the need to identify suitable docking facilities and compatible land along the waterfront (see Figure 4 below).

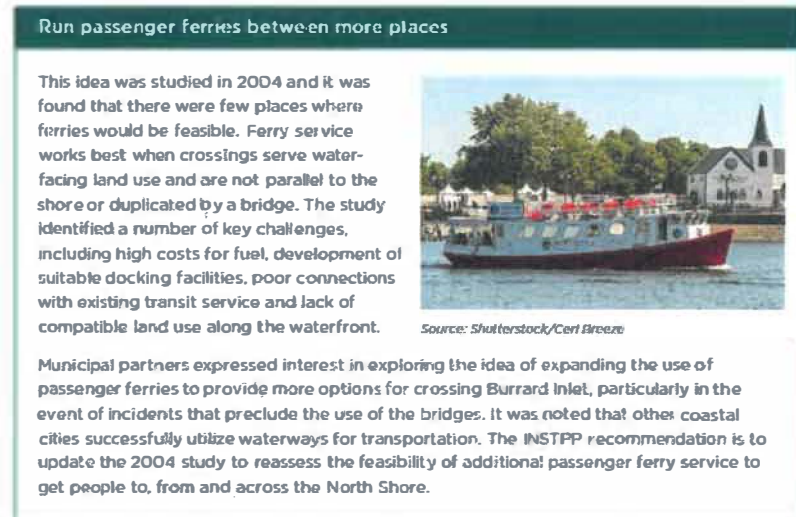


Figure 4: Excerpt from INSTPP Report August 2018

This site should be studied as a potential access point for such a workforce water-taxi from Translink's Waterfront Station area. If provision was made for this access, including a small shuttle service to local employment areas on the waterfront, Harbourside and neighbouring employers, it would be a valuable tool in removing vehicles from the roads and providing a viable transportation option for our workforce (See Figure 5 & 6 below).



Figure 5 & 6: Examples of harbour passenger service: Sydney (l) and New York (r)

We trust this feedback will be considered in the decisions made regarding this property. Please feel free to reach out for further clarification, input or discussion.

Yours sincerely,

P. Stafford-Smith

Patrick Stafford-Smith MBA, P.Eng.
CEO, North Vancouver Chamber

Cc: Dan Milburn, General Manager, Planning, Properties & Permits – District of NV
Charlene Grant, General Manager, Corporate Services – District of NV
Stakeholders noted below.

Appendix A.

The following stakeholders were contacted for input:

- Acciona
- Allied Shipbuilders
- Fibreco
- Hatfield Consultants
- Kinder Morgan Terminals
- Seaspan ULC
- Western Stevedoring
- Wesbild



Vancouver Fraser Port Authority
100 The Pointe, 999 Canada Place
Vancouver, B.C. Canada V6C 3T4
portvancouver.com

Via Email: milburnd@dnv.org

May 3, 2019

Dan Milburn
General Manager, Planning, Properties and Permits
District of North Vancouver
355 West Queens Road
North Vancouver, BC V7N 4N5

Dear Mr. Milburn:

Re: Preliminary application for subdivision at 1371 McKeen Avenue

I am writing on behalf of the Vancouver Fraser Port Authority to provide comments on the preliminary application to subdivide 1371 McKeen Avenue in the District of North Vancouver. The port authority does not support subdivision of viable trade-enabling industrial land parcels because it diminishes their future potential to support goods movement, inflates the value of trade-enabling industrial land, and potentially introduces uses that conflict with trade and goods movement.

Trade-enabling industrial lands are lands required to support goods movement in and out of the region. These are lands that are close to major roads, railways and marine access, and are crucial to facilitating trade in an increasingly connected and interdependent global economy. The kinds of businesses that occupy trade-enabling lands include marine terminals, container storage, freight forwarding, distribution centres and warehouses that support international trade and keep Canada connected to the global supply chain.

The supply of available industrial land in the Lower Mainland is becoming exceedingly scarce and is expected to be depleted within the next 10 years. The recent Metro Vancouver industrial land inventory confirmed that the region's industrial land base was reduced by 870 acres between 2010 and 2015. The study noted that 22% of regionally designated industrial land is not designated as industrial by municipalities, leaving it at risk of conversion to another use.

The port authority is actively trying to purchase and protect as much trade-enabling industrial land as possible to ensure long-term competitiveness for Canadian importers and exporters. We have been focusing on sites located on waterways and near transportation corridors, but we have often been outbid by developers who buy at inflated prices with the intent to seek rezoning, subdivision or stratification that will make their investment far more profitable. The application to subdivide the property at 1371 McKeen Avenue into smaller parcels will have the same effect of driving up land values without necessarily addressing the sustainable land needs of industry and the local community.

.... /2

Dan Milburn, General Manager, Planning, Properties and Permits
District of North Vancouver
Date
Page 2 of 2

This site is located directly on the waterways of Burrard Inlet and situated between two major marine terminals: Fibreco Export Inc. and Vancouver Wharves. Currently the property is a large, contiguous parcel of land with marine access and potential for rail access. Such sites are now extremely rare in the local industrial real estate market. In this case, subdividing this parcel will significantly reduce the amount of land comprised in the existing lot that will have direct marine access, diminishing its potential to support goods movement.

Section 750 of the District's Zoning By-law 3210, 1965 states that in reference to the site's current Employment Zone - Industrial (EZ-1) zoning "the intent of the Industrial Zone is to accommodate port oriented uses and general manufacturing and other industrial activities on lands adjacent to the Port and the rail corridor. It is expected that uses in the Industrial Zone will be industrial in character and impact."

The proposed subdivision will create opportunities for intensified office use as all parcels under the current zoning would be permitted office as a principal use at an equal floor area to traditional industrial uses to a maximum of 2,500 m² (26,910 ft²). Without subdivision, office use would be limited to that for a single lot, however the subdivided seven parcels would allow for a total of 17,500 m² (188,730 ft²) of office space, the rough equivalent of a single 12-storey office tower. We would argue that this level of non-industrial use is not consistent with the intent of the zoning ("industrial in character and impact") and the surrounding industrial zone leading to potential conflicts among existing and future uses. The zoning also allows for other principal and accessory uses that would multiply with the number of subdivided lots. Moreover, we are concerned that recent marketing material for the site, based on the assumption of the proposed subdivision, suggests potential for further stratification for industrial and office uses. If this were to occur, this would exacerbate the impacts on value and further increase dilution of the industrial base.

While we do not support the subdivision of the property, if it were to proceed we would strongly recommend that the zoning of the four waterside lots be amended to Waterfront Industrial Zone (I1) to protect their future for the uses therein described as "industrial uses which either perform a port-related function or are dependent upon access to water".

The District of North Vancouver plays a significant role facilitating Canada's trade, particularly related to Canadian exports. We urge the District to protect this rare piece of industrial land for future trade-supporting activities.

Yours truly,

VANCOUVER FRASER PORT AUTHORITY

A handwritten signature in blue ink, appearing to read 'Peter Xotta', is written over the printed name and title.

Peter Xotta
Vice President, Planning and Operations

cc Mayor Mike Little, District of North Vancouver
David Stuart, Chief Administrative Officer, District of North Vancouver
David Zhang, Development Planner, District of North Vancouver

May 13, 2019

Dear Planning Staff and District of North Vancouver Mayor & Council,

Re: Development at 1371 McKeen Avenue (The Waterfront property)

At a recent Open House held at the Norgate Community School, our neighbourhood was informed of the plans to renew the 30+ acre industrial waterfront site off McKeen Avenue – the property that is home to Lions Gate Marina, where several of our neighbours keep their boats. This area is very much under-utilized and on behalf of the Pemberton Heights Community Association, I would like to share our support for these renewal plans. Not only do these plans include keeping the marina accessible for the foreseeable future, I have learned that the developer has committed to improving the Philips Bight portion of the foreshore while working closely with the North Shore Streamkeepers and the Pacific Salmon Foundation to improve vital fish habitat close to Mackay Creek.

I am also told that the project will fall completely within the current industrial zoning to provide a greater amount of usable industrial property for the District - something desperately needed on the North Shore.

Given the lack of marina access to the west side of the District, many of our neighbours are keen to see the retention of the marina services so close to Pemberton Heights, while also providing new opportunities to increase our tax base through a growth in industrial business operators. As you may be aware, the vacancy rate for industrial space in North Vancouver is hovering around an unhealthy 1%. Many of us realize the importance of supporting projects that, in turn, improve opportunities for new business in our community. By doing so, this will result in a greater number of people enjoying the benefit of not having to cross a bridge to get to work (this of course relieves pressure on the two bridges servicing our community).

Finally, I want to highlight the reality that nowhere west of Lower Lonsdale do Pemberton Heights residents have access to the North Vancouver foreshore. Over the years Port Metro Vancouver has virtually eliminated all access to our waterfront. This project proposes to provide a small public access to the foreshore. Many of our neighbours would like to enjoy access to the ocean in this way.

Thank you for your consideration.

Sincerely,



Herman Mah
Pemberton Heights Community Association
Treasurer / Vice-President



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June 7, 2019

District of North Vancouver
355 West Queens Road
North Vancouver, BC
V7N 4N5

Attention: Kevin Zhang, Planner 2

Re: The Waterfront – Subdivision Pre-Application – DNV File # PRE2018-00019
1371 McKeen Avenue, District of North Vancouver

Dear Mr. Zhang,

In consideration of our Subdivision application being in the approval process, we are writing to provide greater clarity as to the benefits we believe to the industrial businesses and the greater District of North Vancouver (DNV) community. With the scarcity of industrial land in the region, and the District of North Vancouver, we believe the subdivision of 1371 McKeen Avenue is imperative to provide better industrial intensification of the property.

History of Site

The property located at 1371 McKeen Avenue is a 27-acre parcel that has been predominantly used for a marina & service centre, mini storage, car parking, concrete plant and other local businesses. The site has never been used for trade enabling purposes, but rather for local support services. It has been under-utilized for the past 50 years.

A primary commercial use of the site today is the Lions Gate Mini Storage and Marina. The marina is both a dry storage and service yard facility for recreation and commercial boats. More importantly, its tenants provide maintenance and repair services to the marine industry. These tenants are regularly working on boats for the RCMP, Coast Guard, and the Port Authority, amongst others. In addition, West Coast Marine Spill Response keeps a barge and equipment at the marina for emergency spill response in the harbour. The marina also contributes to the North Shore community by providing North Shore Search and Rescue, Fire Fighters, and other local groups a site to operate out of for emergency response. This is an important service to the marine industry, and supports water-based industries per the Port Metro Vancouver mandate.

Other important local businesses on site with leases in place are Lafarge, Bricks and Blocks, Burley Boys, and auto mall car storage. The site has also recently been used to provide parking for Seaspan, and construction storage area for Fibreco. Wesbild has and will continue to work with its neighbouring businesses in the community.



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Development Vision

When Wesbild acquired the property in 2017, we saw a highly underutilized industrial site with a great opportunity to better contribute to North Vancouver's industrial economy and employment base.

The Subdivision application provides an opportunity for the DNV to increase supply to the starved industrial market and allow local and regional businesses to grow in the community. This will be achieved by selling parcels ranging in size from 2-11 acres to larger industrial businesses for build to suit opportunities, as well as, developing some strata titled buildings for smaller businesses to own and grow their operations.

Since 1981, Wesbild has been developing commercial properties. We have seen each of these projects, benefit their local economies and community. Waterfront, our marketing name for 1371 McKeen Avenue, will provide land for trade enabling and port related functions, while also developing more intensive buildings on the land to provide a greater supply of industrial space.

Regional and Municipal Industrial Land Market

Metro Vancouver's regional industrial land market is challenged with a limited and declining supply – and has been for some time. Currently, the Metro Vancouver region is experiencing acutely strong demand, record low vacancy and inadequate new supply of industrial space. This is contributing to higher sale and lease rates while challenging business expansion in the region. These issues have been well documented in reports commissioned by Metro Vancouver and other sources.

The DNV's industrial market is even tighter, with less than 1% vacancy and average lease rates one-third higher than the Metro Vancouver average due to lack of inventory. Furthermore, no new industrial product is currently being constructed in the DNV. This is making for an extremely difficult environment for businesses to plan for growth if they are to remain on the North Shore. These factors are contributing to the DNV's economic and employment growth significantly lagging other municipalities in the region. DNV has only had a net job increase of 2.3% between 2001 and 2016, well below Metro Vancouver average of 27%. The data speaks to the urgency needed to address the problems clearly outlined by the DNV's OCP objectives.

Business Growth

There continues to be strong industrial growth in the Metro Vancouver region associated with trade, transportation, logistics, warehousing, manufacturing and production, food commissaries and e-commerce. These forms of industry and others represent a wide spectrum of uses, scales and intensities including large heavy manufacturing, small local serving production, distribution, repair activities, and collocated activities. Each of these activities need different types of spaces to optimize their operations.

Business is evolving and becoming more diverse, with different types of increasingly lighter industrial and a higher proportion of accessory uses, which require new and different types of space. As an example, for logistics related activities, distribution models are shifting and instead of having large regional distribution centres, they are considering smaller more localized distribution facilities. This trend is referred to as the last mile delivery, whereby quick delivery to consumers is provided by local serving facilities. Associated with evolving industrial typologies and the challenging nature of work, industry has an increasing need for accessory / ancillary and supporting commercial activities that are related or linked to the primary industrial use and provide local-employee serving features / amenities.



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As Metro Vancouver has significant land constraints that limit land supply, and with continued strong demand, business is seeking alternative solutions to urban sprawl. Other cities throughout the world have previously experienced the same challenges as witnessed in Asia, metropolitan areas of the USA, as well as other parts of Metro Vancouver. This has resulted in different forms of industrial buildings, some with higher ceiling heights (more cubic volume) and others as stacked multi-storey industrial, along with greater automation and more efficient operations.

Support for New Industrial Space

In speaking with many local businesses, they offered support for our application, because they see the project, which will provide more supply, as a means to address DNV's industrial market conditions and support the local economy. Wesbild has also consulted with our industrial neighbours including Seaspan, Kinder Morgan, Fibreco, North Shore Waterfront Liaison Committee, Norgate Community Group, and Pemberton Community Group, most of whom have written in support of our application. This is an indication of the benefit the subdivision of Waterfront can provide to the overall community.

With a severely constrained land supply in the DNV, Wesbild's proposed subdivision will permit the creation of smaller, more functional parcels for a variety of new industrial businesses. **The DNV's Official Community Plan indicates that the DNV's objective is to "make more intense use of employment lands, which results in more jobs, more opportunity for business, and more revenue generating opportunities within the community. More specifically, OCP Policy #2 is to encourage infill development and the redevelopment of underutilized sites with industrial and light industrial commercial uses. The DNV's objective is to provide opportunity and flexibility for businesses to grow and adapt."**

This subdivision application, and any subsequent development application, will be consistent with the existing EZ-I Zoning, municipal plans and policies, and respond to DNV industry needs. Having existing industrial zoning in place, which allows for higher densities than are currently present, the property has the potential to significantly contribute to the industrial supply needed by the Region. With the District's support, Wesbild can develop the site with various forms of industrial, which could create between 500-1,000 jobs on the northern 14 acres (35-70 employees per acre) over the next 15 years, compared to the 8 employees (0.5 employees per acre) on this portion of the site today. The southern balance of the site is proposed to be a large 10.8-acre parcel on the waterfront for heavy industry, marine purpose or port related uses. The total estimated value of the direct and secondary economic impacts associated with the development and occupation of the proposed project is conservatively estimated at approximately 1 billion dollars.

The goal is to attract a large number of businesses who will benefit from locating close to Seaspan, and other port industrial users to help support port function. These types of businesses would include high tech value-add manufacturers, suppliers, marine related companies and other high paying jobs including boilermakers, longshoremen, and ironworkers. Potential opportunities also exist for operations such as the Canadian Navy, Coast Guard, coastal service providers, and other related agencies. The 2018 Moffatt and Nichol report (a Marine Consultant) concluded that development of high density, multi-level buildings for a hybrid use of port related and regular commercial activities would be the most optimal use for the property. Some options recommended include storage, warehouse/distribution facilities, and R&D innovation centre, with office or training spaces on upper levels.



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Transportation

Wesbild recognizes the traffic challenges faced on the North Shore and Metro Vancouver and are planning on implementing an integrated plan to reduce the impact of our development. Options include:

- Car Share – Car2Go has indicated they would likely expand to our area in the next couple of years and Wesbild would seek to provide on-site parking
- Pemberton Pedestrian Overpass – Wesbild is willing to provide significant financial contribution to the proposed overpass that would provide pedestrian connectivity to Pemberton businesses and public transportation
- Shuttle Buses – we have consulted with independent transit companies to provide shuttle service to public transportation hubs and would run during peak periods. (similar to Seaspam)
- Public Transportation – The Integrated North Shore Transportation Plan plans for the addition of B-Line service on Marine Drive and bus routes along 1st avenue. These could be directly accessed from the discussed pedestrian overpass
- Bike and e-vehicle charging – electrical charging station for both cars and bikes/scooters would be built within each development to provide more sustainable forms of transportation
- Reducing Impact of traffic on and off the North Shore by providing space for businesses that work with Seaspam and adjacent industrial users
- During Construction – sourcing locally provide materials, utilizing concrete and aggregate from Lafarge on site, and potentially barging in material

Development Application Compliance

DNV bylaws and policies, professional practice and the Public Interest will all be served by this subdivision and the subsequent development permit applications. The proposed development in terms of both use and density is consistent with the Official Community Plan policies, land use designation, and zoning for the site.

Development Permit applications will be consistent with other trends in the region and internationally, that have traditional industrial on the ground floor with production/manufacturing and commercial office levels above. Metro Vancouver, through a number of publications, explored this typology as a method to create more industrial supply. In keeping with this form of development, applications would comply with the existing zoning, and have provisions for office space to be located on the top floor and limited to the amount stipulated in the zoning bylaw (2,500 m²). In consideration of concerns regarding non-industrial uses, it's likely that the lack of local amenities, distance from transit, and limited connectivity to other commercial locations, would prohibit office tenants like lawyer, doctors, or accountants. Instead, businesses that are related to industrial activities would be attracted to this location, such as engineering or logistics firms that support industrial or marine uses. The development could become a hub for marine serving businesses, including ship maintenance, parts distribution, manufacturing and engineering. These businesses can support (as customers or suppliers) the marine gateway, and more specifically local operators such as ship builders and other coastal service providers. Ultimately market demand and trends will determine the development outcome, and similarly the number of strata or support offices.

The Strata tenure buildings are a response to business demand to buy and build their space in an environment with low vacancy rates and unaffordable rent rates. This provides smaller businesses with the opportunity to secure long-term tenure and capital appreciation, which will permit them to make greater investments in their premises such as specialized equipment.

Addressing Port Metro Vancouver Concerns

We acknowledge the Port Metro Vancouver's (The Port) concerns about the proposed subdivision of the property and take this opportunity to address them as follows:

- Subdivision into smaller parcels will permit the increase of industrial space by facilitating some vertical industrial buildings. This will add a significant supply of industrial floor space to the North Shore market. It will also make available purchase opportunities to a wider industrial group of users who look to develop and own their facilities.
- Office space and use, in accordance with the zoning bylaw, will only be provided on the upper floor of an industrial building, and therefore does not erode the industrial land area. However, the North Shore office market likely won't find this site desirable due to lack of amenities, public transportation or access to clients. Any primary use is likely going to be industrial supportive offices.
- Stratification will benefit industrial users by allowing them long term tenure and enable them to invest in necessary equipment. This provides a greater opportunity for a wider spectrum of industrial users.
- The subdivision application proposes the retention of a large 10 acre waterfront parcel that would support industrial uses that either provide a port related function or are dependent on access to water, even though access by water for large vessels is very difficult, as referenced in the 2018 Moffatt & Nichol report. A Deep water loading terminal is not easily feasible due to the following:
 - It would require a vessel berth that is perpendicular to the land
 - Insufficient water depth without environmentally sensitive ocean dredging
 - Wind, tides, and currents would cause difficult maneuvering conditions, requiring special tug boats to align the vessel. These conditions would cause limited access and egress for large ships, which would require extra ordinary handling provisions
- Our vision for the southern 10.8 acres of the site is consistent with the Port's letter, whereby they seek a change in zoning to I1 or restrictive covenant. Based on subdivision approval, and at time of subdivision registration, Wesbild would be prepared to agree to a restrictive covenant on the southern 10.8 acres to protect the land for port related and more intensive trade enabling functions. We've been discussing the use of this portion of land with large industrial users.
- The development will not compromise the rail, or marine transportation network capacity of the area. As per the Moffatt and Nichol report, the rail activity on the North Shore is already too congested. Our site would not be able to accommodate a rail loop and Fibreco would not be able to share their track capacity.
- It is anticipated that the building will attract many trade-enabling businesses and associated supporting businesses, such as localized distribution to the North Shore region.



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Closing

In conclusion, the subdivision and development of the property will provide opportunity for many local and international businesses to operate on the North Shore.

This will enable employment growth, and an increased tax base, rather than being lost to other parts of the region. This underutilized site will provide a significant supply of industrial space to an extremely constrained market. Furthermore, the more intensive industrial development is consistent with market and economic trends and forward-thinking policies. Wesbild with the District of North Vancouver, and The Port, can collaboratively work together to create an industrial hub that provides great benefit to Canada, Metro Vancouver and the District of North Vancouver.

Over the past year Avison Young has searched the North Shore and Metro Vancouver region for industrial businesses that would be interested in doing business on the property. This research has enabled Wesbild to better understand the North Shore industrial market and has been used to guide the subdivision parcel sizes and building typology. We've had a variety of enquiries from local industrial businesses for both smaller parcels and strata units and also interest in the southern 10.8-acre property. Based on the market research, the range in parcel sizes and strata tenure building can provide greater opportunity to a mix of industrial businesses, rather than if the property was left as 1 large 27-acre parcel. We've also offered the 10.8-acre site for sale to Port Metro Vancouver, and although we had discussed a potential land swap, they have advised that it is not a priority for them currently. In working with The Port, Wesbild has been willing to accept a mutually agreed to restrictive covenant on the southern 10.8-acre site at time of subdivision registration. This restrictive covenant would likely reflect the conditions of the DNV's I1 zone limiting the use of the property to industrial uses "to which either perform a port-related function or are dependent upon access to water".

We respect that the Approving Officer's role is to independently apply provincial statutes, regulations, and local government bylaws regarding our subdivision and that they shall use their own discretion in making a decision regarding the approval. With that we consider our application to meet the District of North Vancouver's Official Community Plan, Zoning Bylaw's and that based on all of the information provided above that the subdivision is very much in the Public's interest.

We look forward to subdivision approval allowing for a greater use of the land and increased supply of industrial opportunity to Metro Vancouver and the District of North Vancouver businesses.

If you have any questions, please contact the undersigned to arrange a meeting.

Thank you,

Wesbild
Derek Read, Vice President, Development and Construction

CC: Dan Milburn, General Manager, Planning, Properties & Permits at District of North Vancouver
Jennifer Paton, Development Planning Manager at District of North Vancouver