



To: Planning Committee **Date:** March 4, 2011
From: Joe Erceg, MCIP **File:** 08-4050-12/2011-Vol 01
 General Manager, Planning and Development
Re: 2041 OCP Update - Employment Lands Strategy

Staff Recommendation

That the *City of Richmond Summary of the Employment Lands Strategy (Attachment 1 to the Staff Report dated March 4, 2011, regarding the 2041 OCP Update - Employment Lands Strategy)*:

- a) be received for information by Council and used as the basis for preparing the 2041 OCP, as outlined in this report; and
- b) be referred to the Vancouver International Airport Authority, Port Metro Vancouver and Metro Vancouver for comment before and after the 2041 OCP is approved.

Joe Erceg, MCIP
General Manager, Planning and Development
(604-276-4083)

Att. 2

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Finance	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Real Estate Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Enterprise Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Development Applications	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Transportation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

Purpose of this Staff Report

The purpose of this report is to present the *City of Richmond Summary of the Employment Lands Strategy* (enclosed as **Attachment 1** and hereafter referred to as the *2041 ELS Summary*) to Council for information.

Staff recommend that the *2041 ELS Summary* be considered in preparing the 2041 Official Community Plan (OCP) Update.

Council will have further opportunity to see how the *2041 ELS Summary* will be included in the 2041 OCP, as part of the OCP process in 2011.

Purpose of the 2041 Employment Lands Strategy (2041 ELS)

The *2041 ELS* focuses on projections for employment (number of employees), employment building area and employment land area to 2041.

The purpose of these projections is to determine the employment uses and land use needs of the City over the next 30 years (i.e., type, area and density).

Council Term Goals

The *2041 ELS*, authorized by Council in 2009, is one of the main studies of the OCP Update and supports the following Council Term Goals:

1. *Ensure effective growth management for the City through:*
 - *Updating of the OCP (and sub area plans) to reflect current realities and future needs*
8. *Effectively manage local economic development issues and opportunities through the creation of clearly articulated economic development objectives for this term of office that include:*
 - *Maintaining our favourable job/worker ratio*
 - *Zero loss of major employers*
 - *Retention and expansion of high tech industry*
 - *An increase in home-based businesses*
 - *Retail not being the dominant or "only" growth area of economic development activity downtown*
 - *An increase in head offices locating in Richmond, and more Crestwood type developments handling this*
 - *Effectively promoting and capitalizing on our proximity to the airport for business location*
 - *Sound working relationships with the Airport and Port Authorities*
 - *Making successful in-roads in supporting the agricultural community*
 - *An effective agricultural/industrial land strategy*

Context

The *2041 ELS* provides a best estimate as employment activity is subject to forces beyond the City's control; for example, world financial and fiscal policies, investment activity, the markets, global events, new technologies and senior government policies and investments.

Metro Vancouver (MV) 2040 Regional Growth Strategy (RGS)

According to proposed draft *2040 RGS*, Richmond had an employment base of 130,000 people in 2006. MV projects Richmond employment to grow by 51,000 people (39%) to 181,000 by 2041.

Council has commented on and agreed to these projections in the proposed drafts to the MV *2040 RGS*.

Urban Futures (UF) Projections

Planning Committee received and accepted on July 20, 2010, a staff report regarding the 2041 OCP Update: Demographic, Housing and Employment Projections Study, which included a City study by Urban Futures (UF) entitled *Community-level Projections of Population, Housing, & Employment*.

UF estimated that the 2009 employment base in Richmond was approximately 135,000 and projected that this would increase by roughly 45,000 people (33%) to around 180,000 in 2041, which is consistent with MV's *2040 RGS* projections.

2041 Employment Lands Strategy (2041 ELS)

The *2041 ELS Summary* is based on the consultants' *2041 ELS*, input from the Economic Advisory Committee (EAC) and City staff recommendations. This means that City staff reviewed all information and have recommended the most appropriate 2041 employment lands strategy policies to service Richmond's interests.

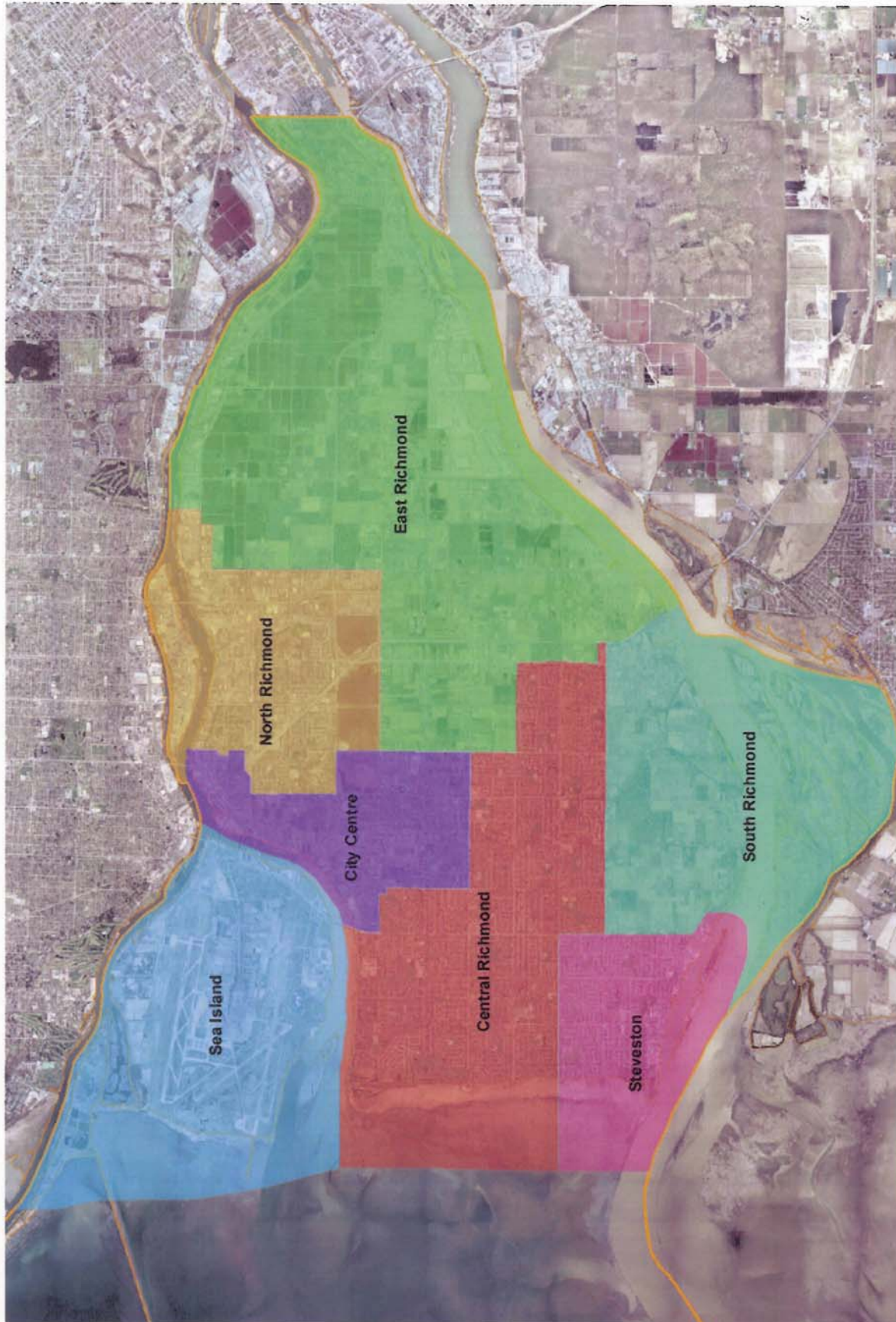
In order to assist with the *2041 ELS*, the City retained the services of AECOM, who utilized Site Economics Ltd and InterVISTAS as sub-consultants. It should be noted that staff worked with the EAC in developing the Terms of Reference and selecting the consulting team.

A copy of the consultant's background report is available in the Councillors' lounge and at the Information Counter at City Hall.

Based on the UF study, AECOM and City staff distributed the employment projections into four broad employment categories (Industrial, Commercial, Office and Institutional) for 2009 and 2041. The Agriculture and Home Based Business sectors were projected separately in the *2041 ELS* as the agricultural land base is relatively defined and home based businesses are accommodated in residential areas.

The *2041 ELS* examined the employment land requirements and their density, employment building areas and the number of employees between 2009 and 2041 for both the City of Richmond as a whole and the seven (7) planning areas shown on the map on the following page (i.e., City Centre; North Richmond; Sea Island; East Richmond; Central Richmond; South Richmond; Steveston).

Attachment 2 is a summary of the *2041 ELS* model results and identifies the estimated location of the net available land by employment sector.



Findings Of Fact

Overview of the 2041 Employment Lands Strategy

The 2041 ELS consists of the following:

- 1) Introduction (Land Use and Employment Classifications; Methodology);
- 2) Current Economic Context (Overview; National and Provincial Scan; Richmond Economic Scan; Comparative North American Cities);
- 3) Economic Growth Trends, Challenges & Opportunities 2010 – 2041 (Development Trends; Population and Employment Growth; Opportunities and Challenges for Richmond; Environmental Sustainability; Transportation Infrastructure, the Gateway Plan);
- 4) Richmond Employment Sectors (Introduction; Commercial Development; Office Space; Industrial Development; Institutional; Other Land Uses);
- 5) Richmond Employment Projections and Land Requirements (Employment Projections 2009 – 2041 for the number of employees, employment building area and employment land area broken down into the industrial, commercial, office and institutional employment sectors);
- 6) Strategic Vision;
- 7) Overview of Supply vs Demand to 2041 (City Wide Observations; Space Utilization Trends);
- 8) City Wide Implementation Strategies (Mixed Use, Compact and Higher Density Development (i.e., “smart growth”); Agriculture; Servicing and Sustainability; Development Cost Charges; Zoning; Taxation Implications; Other Strategies);
- 9) Planning Area Implementation Strategies (City Centre; Sea Island; North Richmond; East Richmond; South Richmond; Central Richmond; Steveston; Priorities to Consider); and
- 10) Appendices (Employment Lands Strategy Model Results; Locations of Net Available Land by Employment Sector in 2009 (acres); City Centre Employment Projections; Major Office Buildings; Summary of Stakeholder Interviews; Port Metro Vancouver – Fraser Richmond Land Use Map; Vancouver Airport Authority – 2027 Airport Land Use Plan for YVR; Summary of Key Policies Impacting Employment; Comments on Metro Vancouver’s Regional Growth Strategy).

The following section summarizes:

- A. Richmond Employment Strengths;
- B. 2041 Employment Projections (Number of Employees);
- C. 2041 Employment Building Area Projections;
- D. 2041 Employment Land Area Projections; and
- E. 2041 ELS Land Summary.

A. Richmond Employment Strengths

Richmond will build on its employment strengths including:

- 1) Fostering a strong entry to the Asia-Pacific Gateway generating strong transportation, logistics and tourism industries;
- 2) Continuing to be an aerotropolis community supportive of the Vancouver International Airport Authority (YVR);
- 3) Continuing to be a leader in high-technology industry and knowledge-based companies;
- 4) Continuing to be a fishing port and agricultural producer;
- 5) Continuing to be a high-amenity, urbanizing community;
- 6) Building on a successful 2010 Olympic and Paralympic Winter Games venue city; and
- 7) Continuing to be a “complete community” where people can work, as well as live, play & learn.

B. 2041 Employment Projections (Number of Employees)

The key points to be made from the employment projections (number of employees) are:

- 1) Richmond will continue to maintain its favourable job/worker ratio, although the 2041 jobs to labour force ratio of 1.04 will decrease slightly from the 2006 ratio of 1.35. The decrease is the result of a higher rate of growth of those in the labour force (i.e., between 15 and 64 years) in the City Centre by 2041. However, Richmond will continue to have one of the highest job/worker ratios in Metro Vancouver in 2041.
- 2) The City Centre will remain the main area of jobs in the City (i.e., 30% in 2009; 33% in 2041; 43% of the change between 2009 and 2041).
- 3) The Commercial and Industrial sectors will continue to be the dominant employers (although the number of Richmond employees in the Office and Institutional sectors will increase from 35% in 2009 to 38% in 2041).
- 4) The majority (80%) of the employment growth (number of employees) between 2009 and 2041 will be in the City Centre, Sea Island (YVR) and North Richmond.
- 5) Each of the employment sectors is found in all of the planning areas, indicating a diversity of employment throughout the City.
- 6) Employment in the Agricultural sector will grow from 829 jobs in 2009 to 2,027 jobs in 2041. This growth can be attributed to more intensive forms and the diversification of agriculture and the need for seasonal farm labour in the ALR.
- 7) Home Based Businesses have been incorporated into the Industrial, Commercial, Office and Institutional figures (e.g., all of the Industrial employees in Central Richmond are assumed to be Home Based Businesses such as contractors and tradespersons, since there is no Industrial building or land area in Central Richmond). This is an appropriate approach given the preponderance of residential uses, and the need for land use compatibility.

C. 2041 Employment Building Area Projections

The key 2041 conclusions regarding the employment building area projections are:

- 1) Richmond has around 20% of the Industrial building area in Metro Vancouver in 2009, and is expected to remain one of the dominant providers of Industrial building area in the region in 2041.
- 2) The Industrial building area will account for approximately 57% of all the employment building area in Richmond (followed by Commercial building area at approximately 19%).
- 3) North Richmond and Sea Island both will have more employment building area than the City Centre (even though the City Centre has the most employees).
- 4) The Institutional building area will nearly double from 1,800,000 ft² to 3,528,000 ft² in the City Centre between 2009 and 2041 (by comparison, the Commercial building area is projected to increase by 38%).
- 5) City wide, the increase in employment building area between 2009 and 2041 will primarily be in the Industrial sector (46%), followed by the Institutional (23%) and Commercial (22%) sectors, and Office (9%) sector.
- 6) Most of the Industrial building area growth between 2009 and 2041 will occur on Sea Island (YVR), in East Richmond (e.g., on industrial zoned lands not in the ALR owned by Port Metro Vancouver and Eco Waste) and in North Richmond (e.g., Mitchell Island and River Road).
- 7) Central Richmond has no Industrial building area because it has no lands zoned or designated for Industrial purposes (however, Industrial employment will continue to occur in the form of Home-Based Businesses such as supportive contractors and tradespersons).
- 8) Around 50% of the Commercial building area growth will occur in the City Centre (North Richmond and Sea Island together will accommodate approximately 40% of the change between 2009 and 2041).
- 9) Most of the Office building area growth (57%) will occur in the City Centre, since it is the principal business and administrative centre of the City (followed by North Richmond and Sea Island which cumulatively will accommodate 32% of the Office change between 2009 and 2041).
- 10) Given the function of the City Centre as the administrative, educational and health care core of the City, most new Institutional building area (45%) between 2009 and 2041 will be located in the City Centre.

The projections to 2041 include the building areas that will be removed from the 2009 employment lands inventory based on existing Official Community Plan/Area Plan designations (e.g., industrial lands on River Drive in North Richmond and Trites Road and London Landing in Steveston, which have been approved to convert to residential uses).

It is assumed that these employment building areas that are redeveloped for other purposes will be accommodated either:

- 1) in the planning areas in which they are currently located;
- 2) elsewhere in Richmond if possible; or

- 3) outside the City in some cases due to market forces beyond the City's control (e.g., land costs and needs).

This approach, it is suggested, is appropriate given, for example, the densification of the approved City Centre Area Plan, and the need to respect the predominant character of Central Richmond (e.g., residential).

D. 2041 Employment Land Area Projections

The key items to note about the 2041 employment land area projections are:

- 1) Richmond appears to have enough employment lands to 2041, including any employment lands which are already planned to be displaced (e.g., Industrial lands in the City Centre, North Richmond and Steveston). City staff will continue to monitor employment land needs and advise Council if the situation changes.
- 2) The intention is to continue to protect Richmond's employment lands (e.g., there is no City plan to convert any additional Industrial areas to new residential uses).
- 3) There is no need to remove land from the Agricultural Land Reserve (ALR) to meet *2041 ELS* needs.
- 4) Industrial Lands to 2041:
 - a) It should be noted that the *2041 ELS* does not break down any of the four employment categories into specific sectors (i.e., the industrial land, building and employment projections do not distinguish between port related development and airport uses, industrial business parks and more general manufacturing/warehousing).
 - b) There were an estimated 3,115 acres of Industrial zoned land in Richmond in 2009. It is projected that there will be demand for 446 acres of new Industrial land over the next 3 decades for a total of 3,561 acres of Industrial land required in Richmond in 2041. There is 4,216 acres of Industrial designated land in the existing OCP. Based on currently available information, there are 655 acres of remaining available land in Richmond to meet future Industrial land needs.
 - c) A number of external processes (e.g., global markets and YVR, MV and PMV studies) are currently looking into the availability of Industrial land at the regional and, by association, local levels. The outcomes of these processes may or may not influence the degree to which the 655 acres of remaining available Industrial land in Richmond exists in the future. The City will continue to monitor the supply and demand of Industrial lands in consultation with Port Metro Vancouver (PMV), the Vancouver International Airport Authority (YVR), Metro Vancouver (MV) and the City's Economic Advisory Committee.
 - d) The projected supply of Industrial land may be affected by some restrictions on tenants imposed on properties administered by PMV and the YVR (e.g., they may be restricted to port and airport related uses only and not available for general industrial use).
 - e) Displaced Industrial businesses may relocate elsewhere in the City but this is not guaranteed because some owners may seek, for example, cheaper land elsewhere or may target specific employment uses (e.g., Office uses rather than Industrial uses because of

- the potential for higher revenues). This approach is subject to normal market activity and is acceptable.
- f) In 2041, East Richmond, Sea Island, North Richmond and South Richmond are projected to each have remaining available Industrial land, if the 2041 ELS projections do not change (i.e., 440 acres, 170 acres, 40 acres and 30 acres respectively after 2041).
 - g) There is no intent to eliminate the remaining available Industrial land not projected to be required by 2041 (i.e., the 655 acres of remaining available Industrial land will continue to be designated for Industrial purposes in the 2041 OCP).
 - h) Assuming the conversion of the Trites Road and London Landing areas to non-Industrial land uses in accordance with the existing approved Steveston Area Plan, and the demand for new Industrial lands between 2009 and 2041, Steveston could experience a relocation of some Industrial uses (e.g., the potential projected slight deficit of 25 acres) to other planning areas, or the densification of the remaining Industrial lands in Steveston which is possible (e.g., higher densities on the Steveston Harbour Authority lands).
- 5) Commercial Lands to 2041:
- a) There is estimated to be 1,112 acres of potential Commercial land in Richmond, which can meet the demand for 1,069 acres of Commercial land in 2041 (the existing Commercial land area in 2009 is 990 acres and it is projected that 79 acres of new Commercial land is required between 2009 – 2041).
 - b) Both East Richmond and North Richmond may have remaining available Commercial land after 2041 (56 acres and 9 acres respectively) which will continue to be protected, although the remaining available land area in East Richmond is located at Riverport which may not accommodate every new Commercial use.
 - c) Central Richmond can have enough Commercial land to meet the projected demand between 2009 and 2041 by appropriately, with community consultation, densifying the neighbourhood shopping centres.
- 6) Office Lands to 2041:
- a) The possible slight deficiency of Office lands (13 acres) outside the City Centre to 2041 is manageable with increased building densities (e.g., densification in the Steveston Village and at the neighbourhood shopping centres, with community consultation, in Central Richmond).
 - b) The 2041 Office land projections in East Richmond can easily be accommodated in the Fraserwood business park through densification.
- 7) Institutional Lands to 2041:
- a) The possible slight deficiency of Institutional lands (34 acres) outside the City Centre to 2041 is manageable with increased building densities (e.g., considering higher densities on some City, shopping centre or assembly zoned properties; densification of Institutional land in Steveston).
- 8) Based on the City Centre Area Plan (CCAP), the City Centre is projected between 2009 and 2041 to:

- a) Replace roughly 34 acres of Industrial land and 44 acres of Commercial land with approximately 78 acres of higher value, mixed use development (primarily residential with some commercial and office uses); and
 - b) Require approximately 39 acres of new, higher value Office land over the next 30 years due to the growth in the number of employees and demand for office building area in the City Centre.
- 9) The retention and expansion of Home Based Businesses does not require any employment land area as these businesses can occur in residential zones.

E. 2041 ELS Land Summary

Overall, future employment land needs to meet new employment in the City, as projected to year 2041, are identified in the table below, where (in acres):

- 1) **Total Supply (2009)** of land has been identified by the City of Richmond and is based on current Official Community Plan designations (land both zoned and designated for future development), which may change with future OCP reviews.
- 2) **Projected Required** land is based on available data and the growth assumed for each general employment category (not specific employment sectors) to the year 2041.
- 3) **Remaining Available** land is the difference between **Total Supply** of land and **Projected Required** land where:
 - a) a positive number indicates land is available to meet future employment needs; and
 - b) a negative number indicates new land appears to be needed to meet future employment needs.

Land Required (acres) 2041			
Category	Total Supply Of Land(2009)	Projected Required Land (2041)	Remaining Available Land (2041)
Industrial	4,216	3,561	655
Commercial	1,112	1,069	43
Office	436	449	(13)
Institutional	1,206	1,240	(34)
Total	6,970	6,319	651

Long term new land needs for the major land use categories are relatively modest, given the employment projections provided by Urban Futures, and based on available data on developed and vacant land in Richmond (**Attachment 2**).

Analysis

Economic Advisory Committee (EAC)

The Economic Advisory Committee (EAC) reviewed and accepted the *2041 ELS Terms of Reference* in October 2009. The *2041 ELS* consultants met with the EAC on January 14, 2010 to get their preliminary input at the outset of this project. On December 2, 2010 the final draft of the *2041 ELS* was presented to the EAC by the consultants and City staff. Based on the EAC’s feedback, a number of changes were made to the *2041 ELS* (e.g., better emphasis on Richmond’s employment strengths; inclusion of the qualifier that the supply of Industrial land is affected by

the ownership and specific uses of Port Metro Vancouver and the Vancouver International Airport Authority; revision of the strategies for Sea Island; clarification that displaced Industrial users may not all be able to relocate in Richmond due to market forces; etc.).

The City's EAC has alerted City staff that other consultant studies exist, which deliver different results on the future availability of industrial land. These studies are confidential and not in the public domain at this time. Hence, a comparison is not feasible at this time and the results of the ELS stand until such other studies are made available for public distribution.

On February 15, 2011, City staff met with the Land Use Sub Committee of the EAC. At that meeting, it was agreed that further changes would be made to the *2041 ELS Summary*. As a result, the following changes were incorporated into the *2041 ELS Summary*; the

- use of an industry-driven, rather than land-use driven approach in presenting employment land needs and, in particular, use of such framework for the "Economy" Chapter of the 2041 OCP Update;
- inclusion of factors that could influence the availability of the 655 acres of Remaining Available Land for Industrial use, including unavailability of PMV and YVR lands for traditional manufacturing industrial use;
- indication that other studies have been completed and unavailable or are under way that need to be monitored with regard to the availability of Industrial land in Richmond; and
- inclusion that the City will work with the EAC to monitor the potential displacement of lower priced manufacturing uses by higher priced office uses in the City's industrial business parks such as Riverside, Crestwood and Fraserwood.

Based on these changes, the EAC has reviewed and accepted the *2041 ELS Summary* (**Attachment 1**) and the Employment Lands Strategy Model Results/Location of Net Available Land by Employment Sector in 2009 (acres) (**Attachment 2**).

To that effect, a Letter to Council from the EAC is included to accompany this report under the Planning Committee agenda item.

Context

As Richmond evolves toward 2041, the following is to be noted:

- 1) Richmond's land area (estimated to be approximately 31,885 acres) is finite.
- 1) 38% of Richmond is to be retained in the ALR.
- 2) The remaining 62%, the "urban footprint", is to accommodate Richmond's 2041 urban, non-farm land uses and employment needs.
- 3) This means:
 - a) generally densifying the urban footprint, particularly in the City Centre (approved) and at shopping centres outside the City Centre;
 - b) rather than saying it will accommodate every new employment use, Richmond will be successful if it pursues targeted, quality uses (e.g., higher density employment uses);
 - c) co-planning with YVR, PMV, MV, the Steveston Harbour Authority, etc.; and

- d) the City Centre will accommodate densified, mixed uses (e.g., multiple storey employment uses) to take advantage of the Canada Line and achieve high density urban villages.

Key Employment Lands Strategy Recommendations

The key 2041 ELS recommendations are:

- 1) Continue to protect the agricultural land base.
- 2) Explore agri-industrial employment opportunities (e.g., agricultural product processing/warehousing/shipping in the ALR in East Richmond and South Richmond).
- 3) Retain and expand agricultural activities in the ALR (e.g., possibly greenhouses) and use industry or office as the preferred buffer (rather than residential) immediately adjacent to the ALR.
- 4) Continue to protect the City's industrial land base.
- 5) Support YVR in retaining the airport lands for airport operations and traveller accommodation related to the airport; continue consultation with YVR on proposed groundside commercial developments to ensure traffic and other operational aspects of such development are anticipated and resolved with implementation.
- 6) Continue liaising with the Vancouver International Airport Authority and Port Metro Vancouver, and with others regarding the Asia Pacific Gateway Initiatives and BC Ports Strategy.
- 7) In the 2041 OCP, recognize the City Centre as the principal commercial and office area of the City (e.g., continue to prohibit residential under the flight path; encourage retail and office uses around the hospital and institutional uses).
- 8) Move towards a more multi-use of employment lands, rather than singular uses (e.g., mixed use developments involving commercial or office and residential outside the City Centre).
- 9) Pursue strategies to foster multi-storey, higher density or non-traditional industrial development such as high tech or advanced manufacturing lab space, etc. in the City Centre and industrial/commercial/office development in the Alexandra Neighbourhood in the West Cambie Area (e.g., subject to City budgets and Council approval, consider taxation incentives; initiate or assist in key land assemblies; reduce parking and secure improved transit service).
- 10) Increase densities (i.e., greater floor area ratios; higher lot coverage; increased building heights) for employment uses (e.g., in Crestwood, increase the permitted lot coverage from 60% to 75% and the building height from 12 m to 20 m).
- 11) Reduce parking requirements for employment developments, especially in combination with other non-vehicular improvements (e.g., transit; pedestrian and cycling infrastructure; etc.) and near transit hubs.
- 12) Enhance roads for truck traffic and ship transportation for employment uses (e.g., Blundell Road extension/interchange).

- 13) Consider increasing sustainability initiatives that are cost effective and have secure energy sources over the long term for employment developments (e.g., consider district energy and other sustainable forms of energy; waste energy for heating; eco-industrial development).
- 14) Consider advancing servicing programs and providing adequate, but flexible, servicing (e.g., varying road standards based on the primary employment use).
- 15) Review the Development Cost Charge (DCC) rates and program as part of the 2041 OCP implementation policies (e.g., clarify light industrial DCCs; review parkland DCCs on employment lands; lower DCCs on upper storeys as an incentive to multi-storey uses).
- 16) Review the Zoning Bylaw following the adoption of the 2041 OCP (e.g., simplify the list of permitted uses in the Industrial and Commercial zones to allow the multi-use of employment lands; re-examine the floor area ratios, lot coverage and building heights).
- 17) Consider streetscape improvements, enhanced employee amenities and increased public amenities in industrial business parks to encourage new stand-alone offices.
- 18) Consider Bridgeport Road Corridor improvements (e.g., urban design and landscape guidelines around the Bridgeport Canada Line Station; streetscape planning process similar to No. 3 Road).
- 19) Consider Mitchell/Twigg Islands for light industrial development in the long term in addition to the existing heavy industrial uses (a direction already in the Bridgeport Area Plan).
- 20) Retain portions of the south arm of the Fraser River for industrial development (e.g., the Riverport area for marine freight and logistics businesses), retain adequate flexibility in meeting future industrial demand, and reserve land for industry in areas of potential conflict between riverfront residential and industrial uses.
- 21) Require employment land development to provide improved flood protection and ensure that water lots/leases are protected for the City's benefit.
- 22) Focus employment initiatives on the special strengths of Steveston and encourage mixed use projects to meet the demand for employment lands in this planning area.
- 23) Consider higher density industrial uses in Steveston or encourage, via 2041 OCP policies, displaced industrial businesses to the South Richmond and East Richmond planning areas.
- 24) Support more intensive development at the neighbourhood centres outside the City Centre (which would be subject to separate planning processes after the OCP is adopted).
- 25) Consider the more intensive use of institutional lands (e.g., possible vacated school sites; development on top of the City's community centres) to meet the demand for institutional building space and employment, especially in Central Richmond.
- 26) Allow a wider range of home based businesses in residential areas outside the City Centre based on the experience of permitting these in the City Centre (e.g., artists' workshops/studios; small-scale, compatible custom manufacturing).

Referral of the 2041 ELS Summary

It is recommended that the *2041 ELS Summary* be referred to the Vancouver International Airport Authority (YVR), Port Metro Vancouver (PMV) and Metro Vancouver (MV) for comment for the following reasons:

- 1) These two federal agencies, PMV and YVR, are the largest land owners of employment lands in Richmond and it would be useful to learn about any new studies and continue obtaining their input (e.g., likely after the 2041 OCP is completed);
- 2) YVR is in the process of preparing the *YVR 2010 Economic Impact Assessment* which may become available in March 2011;
- 3) MV is preparing a *2010 Industrial Land Study*, which will include industrial utilization and demand studies;
- 4) The Economic Advisory Committee (EAC) has suggested that the *2041 ELS* be made available to YVR, MV and PMV; and
- 5) YVR and PMV are important players in the Asia Pacific Gateway Initiatives and BC Ports Strategy, which are fundamental contributors to Richmond's economic viability.

Financial Impact

There is no financial impact.

Conclusion

One of the main studies of the 2041 OCP Update was the *2041 ELS*. This *Strategy* is now complete. It should be noted that the preparation of an Economic Development Strategy is to follow adoption of the *2041 ELS*.

Based on the *2041 ELS*, input from the Economic Advisory Committee (EAC) and City staff recommendations, the *2041 ELS Summary* (which is included as **Attachment 1** to this staff report) has been prepared.

The overall conclusions of the *2041 ELS* are that:

- 1) Richmond has enough employment lands to meet demand in all sub-sectors to 2041:
- 2) There is no need to remove land from the ALR to meet the *2041 ELS* employment needs.
- 3) Richmond's existing and proposed OCP, Area Plan and Sub-Area Plan objectives, policies and land use designations are taking the City in the right direction (e.g., protection of the industrial lands; commercial and office densification around the neighbourhood centres; office development in the City Centre; protection of the agricultural land base; etc.).
- 4) It is consistent with the proposed 2040 MV Regional Growth Strategy.

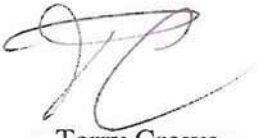
The EAC's views regarding the *2041 ELS* have been incorporated or will be incorporated in the 2041 OCP Update, subsequent OCP revisions and through ongoing consultation with the Vancouver International Airport Authority (YVR), Port Metro Vancouver (PMV) and Metro Vancouver (MV).

It should be noted that both YVR and PMV will have further opportunity to comment on the 2041 OCP as it proceeds through the approval process.

Council will have further opportunity to see how the *2041 ELS Summary* will be included in the 2041 OCP as part of the OCP process.

March 4, 2011

- 15 -



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March 4, 2011

City of Richmond Summary Employment Lands Strategy

Purpose

The purpose of the *2041 Employment Lands Strategy (2041 ELS)* is to assess 2041 employment land needs within the City of Richmond. It is intended to determine how Richmond can optimize its land base to create a healthy, balanced, diversified and growing economy. The focus of the *2041 ELS* is on lands devoted to business and jobs, including commercial, office, industrial and institutional, with a brief review of agricultural employment and home based businesses. The project consists of two components:

- the first part documents employment and land absorption trends; and
- the second part considers the data results and identifies policy implications of employment land use (e.g., zoning, density and other planning policies).

Context

The *2041 ELS* examines national, provincial, regional and local growth, including population and labour force. The Metro Vancouver region is expected to have its population grow to 3.4 million by 2041, reflecting 1.3% annual growth. Richmond, with a 2006 population of approximately 183,000, is projected to receive approximately 8.0% of this overall regional growth, to reach approximately 280,000 persons by 2041. A recent City forecast completed by Urban Futures Ltd. (Urban Futures) projected employment for Lower Mainland of 2.2 million by 2041 (a one million increase) and an increase from 135,000 (2006) to 180,000 (2041) for Richmond (nearly 1% per annum growth).

Employment Classifications

Employment and land use have been categorized within four major divisions. For purposes of the *2041 ELS*, various occupational groups are consolidated and classified as follows:

- Commercial - specific attention to general retailing and the hospitality industry;
- Office - includes all stand alone offices, including major offices of 40,000 sq. ft. or more;
- Industrial - manufacture, trade and transport, warehousing;
- Institutional - public service uses.

It should be stressed that the *consultant report* did not break these four employment classifications down into specific sectors (e.g., the industrial land, building and employment projections do not distinguish between port-related development and airport uses, industrial business parks and more general manufacturing/warehousing).

In addition to the above four major employment/land use categories two others were reviewed, but since they do not require additional land, a more cursory review was undertaken. These employment categories include agriculture and home based businesses.

2009 - 2041 Economic Trends and Factors

2009 – 2041 Employment Strengths

Richmond will build on its employment strengths including:

- Fostering a strong Asia-Pacific multi-modal “gateway” generating strong transportation, logistics and tourism industries;
- Continuing to be an aerotropolis community supportive of the Vancouver International Airport Authority (YVR);
- Continuing to be a leader in high-technology industry and knowledge-based companies;
- Continuing to be a fishing port and agricultural producer;
- Continuing to be a high-amenity, urbanizing community;
- Building on a successful 2010 Olympic and Paralympic Winter Games venue city; and
- Continuing to be a “complete community” where people can work, as well as live, play & learn.

RICHMOND EMPLOYMENT LANDS OUTLOOK TO 2041

1. Richmond will continue to maintain its favourable job/worker ratio (e.g., Richmond will still have one of the highest job/worker ratios in Metro Vancouver in 2041).
2. The City Centre will be the main employment area in the City, even though its supply of industrial and commercial land will decline.
3. The commercial and industrial sectors will continue to be the dominant overall employment sectors in Richmond.
4. Richmond is one of the major industrial land providers in the Metro Vancouver region.
5. Richmond appears to have enough employment lands in all employment land categories to 2041. City staff will continue to monitor employment land needs and advise Council if the situation changes.
6. The general supply of industrial land may be affected by some restrictions on tenants imposed on properties administered by Port Metro Vancouver and the Vancouver International Airport Authority, as well as some other owners who may target specific industries.
7. There is no need to remove land from the Agricultural Land Reserve to meet the current 2041 projected employment needs (the ALR should be retained for farming).
8. Displaced businesses, including traditional manufacturing and warehousing, can relocate elsewhere in the City but are not guaranteed a location in Richmond.
9. Densification of all types of employment lands needs to be encouraged in the future.
10. The institutional sector will be one of the major employment growth sectors in Richmond over the next 30 years.

Methodology

The 2041 Employment Lands Strategy Model has identified the projected requirement for employment to the year 2041. The model is based on:

- Projected number of employees in Richmond categorized into their type of work over the 2009 to 2041 study period (employment data is obtained from the Urban Futures report);
- The places of work where additional buildings and land for office, industrial, commercial and institutional uses are required; and
- Places of work where employment and additional buildings are not contingent on the employment land area but remain important to the economy such as agriculture and home based businesses (e.g., the intensification of farming and construction of new agricultural buildings does not require the expansion of the existing agricultural land base).

The 2041 Employment Lands Strategy Model results can be found in **Attachment 2**.

2009 – 2041 Land Supply and Demand Conclusions

Overall, future employment land needs to meet new employment in the City, as projected to year 2041, are identified in the table below, where (in acres):

- **Total Supply (2009)** of land has been identified by the City of Richmond and is based on current Official Community Plan designations (land both zoned and designated for future development), which may change with future OCP reviews.
- **Projected Required** land is based on available data and the growth assumed for each general employment category (not specific employment sectors) to the year 2041.
- **Remaining Available** land is the difference between **Total Supply** of land and **Projected Required** land where:
 - a positive number indicates land is available to meet future employment needs; and
 - a negative number indicates new land appears to be needed to meet future employment needs.

Land Required (acres) 2041			
Category	Total Supply of Land (2009)	Projected Required Land (2041)	Remaining Available Land (2041)
Industrial	4,216	3,561	655
Commercial	1,112	1,069	43
Office	436	449	(13)
Institutional	1,206	1,240	(34)
Total	6,970	6,319	651

Long term new land needs for the major land use categories are relatively modest, given the employment projections provided by Urban Futures, and based on available data on developed and vacant land in Richmond (**Attachment 2**). The below findings apply to each employment land use category.

Industrial Land Required to 2041

The total supply of industrial land (4,216 acres) is anticipated to meet future employment land needs (3,561 acres). While the model used in the *2041 ELS* shows no projected land shortage, industrial land could be used up before 2041. Long-term demand for goods handling lands may surge and make the issue more acute. Conversely, a major prolonged drop in international trade may alleviate the pressure in the short term. Richmond has an excellent industrial land base but it should have monitoring and contingency plans to add to its industrial land supply over the long term, if necessary and possible.

There is no intent to eliminate the remaining available land not projected to be required by 2041 (i.e., the 655 acres of Remaining Available industrial land will continue to be designated for industrial purposes in the 2041 OCP). However, two important factors may influence the degree to which the 655 acres of Remaining Available industrial land exist in the future:

- Some of these designated industrial lands are limited to certain types of users (e.g., Vancouver Airport or Port Metro Vancouver customers) and the uses allowed under their own land management plans, which limits their potential availability to all users. As a result, the Remaining Available Land may be less than indicated. Specifically, the limitation to airport-related and port-related uses may make the majority of the industrial land under YVR and PMV jurisdiction unavailable for small and medium-sized traditional manufacturing uses. As a result, it is conceivable that some industries in the City will over time relocate to another municipality. This is acceptable because, over time, at the same time, new employment uses may be attracted to the City.
- The projected Remaining Available industrial land is also contingent on the ability to convert all of the OCP designated and yet to be redeveloped property to employment land uses. If some of this expected redevelopment does not occur, then the Remaining Available Land will be reduced (e.g., if the areas cannot be properly serviced; if a land owner doesn't want to develop their lands, etc.).

A number of external processes (e.g., YVR, MV and PMV studies) are currently looking into the availability of industrial land at the regional and, by association, the local levels. The outcomes of these processes may or may not influence the degree to which the 655 Remaining Available industrial land in Richmond exists in the future. These are:

- The City's Economic Advisory Committee (EAC) has alerted City staff that Port Metro Vancouver (PMV) has some confidential studies that indicate PMV's specific future port-related land needs. Such studies are not available for public distribution at this time.
- The Vancouver International Airport Authority (YVR) is in the process of preparing the *YVR 2010 Economic Impact Assessment* which may become available in March 2011.
- Metro Vancouver (MV) is preparing a *2010 Industrial Land Study*, which will include industrial utilization and demand studies.

The City will continue to monitor the supply and demand of industrial lands in consultation with PMV, YVR, MV and the City's EAC, e.g.:

- Be involved in PMV's update to its *Fraser Richmond Land Use Plan* in 2011 and any public long range plans to 2041.
- Pursue discussions with YVR regarding the *YVR 2010 Economic Impact Assessment* in 2011 and updates to the *2027 Airport Land Use Plan for YVR*.
- Continue to be involved in MV's *2010 Industrial Land Study* and the associated industrial utilization and demand studies.
- Work with the EAC to monitor the potential displacement of lower priced manufacturing uses by higher priced office uses in the City's industrial business parks such as Riverside, Crestwood and Fraserwood.

Commercial Land Required to 2041

A total of 1,069 acres of commercial land is Projected Required in the long-term within the City, which is virtually identical to the Total Supply of 1,112 acres. In Central Richmond and Steveston, and due to a declining supply of commercial land in the City Centre, greater commercial building intensity is anticipated.

Institutional Land Required to 2041

Institutional land demand may potentially face a future deficit on a City wide basis, but mainly in Central Richmond (35 acres) and Steveston (5 acres). This can be partially offset by the 6 acres of Remaining Available institutional land in East Richmond and can be met by considering higher densities on City, school, shopping centre and assembly zoned properties.

The possible 2041 institutional land deficit (34 acres) is considered manageable as, based on available information, it may not occur or can be managed (e.g., through densification).

Office Land Required to 2041

The demand for office land will be substantially accommodated within the projected supply on a City-wide basis. Over time, it is also reasonable to expect that some office space will face redevelopment and intensification. With the City Centre projected to have an adequate supply of office land around Bridgeport and Cambie Roads on No. 3 Road, the existing emphasis on the location of principal business and professional office space in the heart of the City is to be continued.

The possible 2041 office deficit (13 acres) is considered manageable as, based on available information, it may not occur or can be managed (e.g., through densification).

Summary

To 2041, overall Richmond's employment land needs are manageable as outlined above. It will be appropriate for the City to consider the local area implications when Area Plans and Sub Area Plans are updated by giving further consideration to future demand and any deficiencies. Also, the City should maintain continuous monitoring and review of available information on employment land needs as part of the ongoing OCP updating process and through other avenues (e.g. ongoing consultations with key industry stakeholders and community partners). Encouraging mixed use development, minimum floor area ratios (currently, generally only maximum numbers apply), and strategies that aid in conversion of older residential areas (that are subject to airplane noise) to employment land uses are recommended.

2041 ELS Vision, Principles, and Strategies

Employment Vision

In 2041, Richmond will continue to serve as a pre-eminent Asia-Pacific air, sea, land and intermodal gateway and technology hub providing a strategic range of employment uses for a resilient economy, with a high City jobs-to-labour force ratio, and high paying jobs for local and regional residents.

Employment Principles

This Vision will be achieved by the following principles, which will be reflected in the 2041 OCP:

- The Asia-Pacific Gateway: a world-class Asia-Pacific Gateway enabling industry that uses Richmond's local advantages to generate value in goods and people movement worldwide
- Technology: a thriving technology hub that attracts knowledge-based talent locally and from abroad
- People-serving: a diversified commercial sector that supports the needs of both residents and visitors
- Food-producing: a viable agricultural sector for both commercial and neighbourhood farmers
- Amenity: a responsive institutional sector that meets the amenity and service needs of a demographically changing community
- Micro: flexible development that supports a home office sectors and the needs of micro-entrepreneurs

City Wide Implementation Strategies

1. METRO VANCOUVER 2040 *REGIONAL GROWTH STRATEGY*:

Ensure that the Metro Vancouver 2040 *Regional Growth Strategy* continues to reflect Richmond's employment strengths and interests. The proposed ELS does this.

2. CITY CENTRE:

Continue to encourage high density urban villages, transit oriented development and a mix of employment uses and non-employment uses (e.g., mandatory retail/office use on street level and residential above where appropriate).

3. OUTSIDE THE CITY CENTRE:

Promote the densification of neighbourhood commercial centres outside the City Centre, in consultation with the community, by increasing development flexibility and market adaptability through multi-use developments which integrate employment oriented land uses.

4. OFFICE USES:

Create suitable high office floor area ratios (FARs) to allow more intensive uses along major transportation corridors (e.g., 1.5 FAR on neighbourhood commercial centres). The City currently has these higher densities in the City Centre Area Plan. Such densities can be effective in encouraging larger building areas within the same property footprint outside the City Centre. Service and office employment intensification can also be supported by the proximity of a good transit network that is well connected to key employment centres, residential areas where workers live, and to commercial areas.

5. PARKING REQUIREMENTS:

Continue to review parking requirements for uses where densification is promoted (e.g., in the City Centre; around shopping centres; in zones that encourage mixed use) by reducing parking standards to serve as an incentive for increased intensity. Such reviews should balance developers' requirements for parking to render commercial developments viable in areas not in direct proximity to frequent transit corridors. This strategy must be coordinated with good and frequent transit service and other transportation demand management (TDM) measures such as enhanced transit amenities, car-share and car-pool programs, and end-of-trip facilities. It is noted that the City's Transportation Department reviewed and reduced the parking requirements in the City Centre in 2008. The appropriateness of any new standards will be reviewed in the 2041 OCP Update.

AGRICULTURE

1. AGRICULTURAL LAND BASE

Continue to protect the agricultural land base (i.e., there is no need to remove land from the Agricultural Land Reserve to meet 2041 ELS needs).

2. AGRI-INDUSTRIAL DEVELOPMENT:

Continue to dialogue with the agricultural community (e.g., farmers, processors, shippers, the Agricultural Advisory Committee) to explore how future agri-industrial employment generation could be diversified, strengthened and fostered on land designated as ALR where approved by the Agricultural Land Commission. Specifically, opportunities for agri-industrial development should be explored in the agricultural areas of East Richmond and South Richmond which offer good access to the City's farm lands.

3. AGRICULTURAL BUFFERS:

Industrial and business park employment land uses are preferred as a buffer next to agricultural operations, as residential land uses abutting farm lands often lead to potential land use conflicts and complaints.

SERVICING AND SUSTAINABILITY

1. SUSTAINABLE DEVELOPMENT:

The City should encourage new initiatives that lead to more sustainable forms of employment land development that is cost effective and that has secure energy sources over the long term. This will include consideration of district energy for higher density development areas to provide more economical and efficient provision of building/heating; as well as mixed use (commercial/ office) employment nodes that have a range of land uses to provide stability in energy demand.

4. RAPID TRANSIT IN THE CITY CENTRE:

In order to accommodate future employment demand and population increases in the City Centre, the City should ensure that TransLink provides adequate capacities on the Canada Line to accommodate peak hour deficiencies (e.g., higher frequency of trains; increasing the train formation to 3-car).

5. ENERGY FROM WASTE:

Industrial development that may provide for waste energy from one industry or business to serve as a source of heating for nearby businesses should be encouraged (e.g., eco-industrial development).

6. ADVANCED AND ADEQUATE CITY INFRASTRUCTURE:

Consider advancing City servicing programs should be considered to ensure that land can be ready in a timely and economic manner, where long term industrial development is expected (e.g., East Richmond).

City utilities and roads should be sized to accommodate the ultimate projected use in order to encourage the intensive use of employment lands.

7. RIVERFRONT DEVELOPMENT:

Opportunities should continue to be explored to encourage the redevelopment of selected, larger properties adjacent to the waterfront to employment use (e.g., Fraser Wharves lands at Riverport). These may have economic viability to raise land levels to provide added flood

protection, so the City should concurrently seek opportunities for site redevelopment and improved flood protection. Such opportunities are particularly worthy of consideration along the south arm of the Fraser River in East Richmond and South Richmond.

8. TRANSIT OUTSIDE THE CITY CENTRE:

Access to improved transit is critical to the successful long term development and densification of major employment areas situated outside the City Centre. In fostering this, the City needs to maintain a positive and assertive attitude, and continue to collaborate with TransLink for the provision of more suitable transit services to all major employment areas in the community. To facilitate upgraded transit service, the City can encourage:

- Higher density around major transportation corridors (e.g., planning along corridors such as Bridgeport Road and around major employment centres);
- Transit oriented development (TOD);
- Pedestrian and cycling infrastructure throughout the municipality (e.g., sidewalks, bike lanes, multi-user greenways) that support walking and cycling, particularly to transit services;
- Increased transit service coverage, higher frequencies and longer periods of operation to Richmond's business parks, such as Crestwood, Riverside and Fraserwood; and
- Improved connections to the Canada Line, Skytrain in Burnaby from East Richmond employment destinations, and to other regional centres (e.g., Vancouver; Burnaby; Surrey).

9. TRUCK ROUTES:

The City should support strategic and efficient truck routes (e.g., container truck routes to and from YVR and ports in Richmond, Vancouver, Tsawwassen and Roberts Bank) through road improvements funded by the senior levels of government and other sources (e.g., Highway 91/Nelson Road interchange; Blundell Road extension/interchange).

10. INTERMODAL IMPROVEMENTS:

The City should support strategic intermodal improvements (e.g., Fraser River dredging and rail improvements) within the existing urban footprint.

11. SHORT SEA SHIPPING (BARGING):

The City should support improved short sea shipping facilities in appropriate places (e.g., Port Metro Vancouver lands in Richmond) to move bulk goods as such promote efficient road usage and reduced GHG emissions.

12. ROAD STANDARDS:

The City should consider adopting different road standards for areas devoted to logistics enterprises (e.g., light industrial manufacturing) with their substantial truck traffic than more conventional industrial and business park areas that can function well with narrower roads for standard vehicular traffic.

13. PUBLIC AMENITIES:

The attractiveness and sustainability of employment land areas that permit stand-alone offices should be enhanced by ensuring pedestrian friendly design and streetscape improvements. Employee amenities, such as the creation of interconnecting walkways, small well landscaped seating plazas (especially in areas where there are support commercial services such as a restaurant) and improved cycling networks and facilities, would add to the attractiveness of the stand-alone offices and encourage interaction by employees. The provision of public amenities in areas zoned Industrial Business Park should be reviewed and various avenues explored (e.g., upgrading, as necessary, the City's servicing requirements in these areas; including further amenity provisions in the Zoning Bylaw; encouraging more mixed use in the general area).

DEVELOPMENT COST CHARGES (DCCs)

1. LIGHT INDUSTRIAL DCCs:

Include in the next review of the DCC Program (e.g., with the 2041 OCP Update), a review of the light industrial DCCs by exploring the common practice of basing DCC charges on land area, as opposed to building area, while ensuring that this is equitable and collects enough capital for required infrastructure improvements (e.g., water for fire protection purposes; sewer use).

2. POTENTIAL DCCs REDUCTIONS AND AREA SPECIFIC CHARGES:

Carefully consider in the next review of the DCC Program (e.g., with the 2041 OCP Update), an analysis of the implications of parkland DCCs on non-residential land uses (a practice that is not common with other Lower Mainland municipalities), recognizing that a change in this practice could impact residential DCCs and reduce the amount of public amenities. For example, if charges for park acquisition were eliminated, Commercial DCCs would decline by about 14%, and for Industrial uses DCCs would be reduced by 17%. In areas where redevelopment is proposed, it may also be useful and feasible to reduce or eliminate DCCs entirely (through creation of an 'area specific charge', and encompassed in a DCC bylaw) which might reflect parts of the City that have good and established utilities where either no or only limited off-site upgrades are required. This may serve to encourage new and cost effective land uses. Reductions in DCCs may also be feasible if development meets approved low environmental impact standards.

3. DCC INCENTIVES FOR MULTI-STOREY INDUSTRIAL USES:

Consider, in the next DCC review, the creation of an incentive to encourage multi-storey, non-residential buildings (particularly industrial development) by lowering DCCs on upper storeys.

4. DCCs AND TAXATION:

Over time, review how DCCs which currently are applied as a one time charge versus ongoing municipal taxes affect the development of employment lands in Richmond, particularly in comparison with other Lower Mainland municipalities.

5. DCC PROJECT LIST:

Continue to evaluate the DCC project list on an annual basis to ensure that major infrastructure upgrades outside of City Centre promote 2041 employment and viability.

ZONING

1. PERMITTED USES:

During the next zoning review, consider simplifying the list of permitted uses (especially in the industrial and commercial zones) to facilitate a broader range of employment and to make City's employment land management easier (e.g., adopt more generic definitions as opposed to defining a longer, more specific list of permitted uses).

2. INDUSTRIAL DENSITY:

In order to encourage industrial development, the need to require minimum and maximum floor area ratios (FARs) in the Industrial zones should be explored where adequate City services/infrastructure exist and where sufficient parking/loading is provided.

3. INDUSTRIAL BUILDING HEIGHT:

In order to encourage the intensification of industrial lands, the maximum building height should be increased from 12 m to 20 m or removed altogether in the Industrial zones except where an industrial development abuts residential land uses.

4. INDUSTRIAL SITE COVERAGE:

In order to encourage industrial development (e.g., logistics operations involving light industrial manufacturing), the maximum lot coverage should be increased from 60% to 75% or removed altogether in the Industrial zones provided that the parking and loading requirements are met on-site.

5. HOTELS IN INDUSTRIAL BUSINESS PARKS:

Consider allowing hotels as permitted uses within the Industrial Business Park (IB) zones in limited locations outside the City Centre where the site is adjacent to major roads/intersections and near local commercial districts. Such facilities are generally complementary to industrial business parks which contain stand alone offices and provide for a more dynamic business interface.

6. PARKING REQUIREMENTS:

The City should undertake further review of the parking requirements for employment lands, especially surface parking for industrial uses. Parking requirements based solely on building area may not be appropriate for industrial uses – for example, the average industrial space per employee is 853 sq. ft. (~80 sq. m), which under the current regulations requires 0.8 parking stalls per employee. Both Delta and Burnaby require only 0.33 parking stalls per industrial employee. This standard could be adapted to be expressed as parking for a certain portion of building area or loading bays rather than per employee.

7. WHERE IMPROVED TRANSIT OCCURS, REDUCE PARKING AND INCREASE DENSIFICATION:

Give consideration to further reduce parking standards in areas of good transit service as an incentive to encourage redevelopment and intensification of employment land uses, particularly outside the City Centre. The more transit, the more land may be useable for industrial development, as less land is needed for parking.

8. IMPERVIOUS SURFACES:

In exchange for additional density and the reduction of parking requirements for employment lands, the City should encourage developers to reduce the amount of impervious surfaces.

9. SHARED PARKING:

Consider the further potential for shared parking where different sites and uses (e.g., hotel and stand-alone office) can share their parking given that parking demands for such uses occur during different times of the day (e.g., consider permitting this in the Zoning Bylaw without the need for a parking study).

10. OFFICE USES:

Consider positive assistance (e.g. tax incentives and reduced parking) for office type uses in the vicinity of No. 3 Road and Bridgeport Road and Cambie Road around the Aberdeen Canada Line Station. The City Centre Area Plan envisages mixed use retail and office use, however if office use only is proposed for development, then such use should be encouraged. This is an excellent office area as it is central, near retail, the airport, highways and rapid transit. Most importantly, residential is not permitted in this area.

OTHER STRATEGIES

1. GATEWAY INITIATIVES:

The City continue to coordinate, on a regular basis, with those responsible for the Asia Pacific Gateway Initiatives and BC Ports Strategy, given the importance of port and airport development to the national, provincial and local economy and the role that Richmond plays in meeting import and export infrastructure opportunities.

2. CONTINUED LIAISON WITH YVR, PORT METRO VANCOUVER AND METRO VANCOUVER:

Richmond should continue regular liaison with other agencies directly involved with key industries in the community. This will allow a review of ongoing employment land needs, transportation issues, and provincial and federal trends. Of particular importance, given the amount of employment associated with these organizations, are the Vancouver International Airport Authority (YVR) and Port Metro Vancouver. Liaison with Metro Vancouver is also important because of their industrial land inventory base.

3. WATER LOTS:

Collaboration between all parties is encouraged to ensure that land owners of upland areas and lease holders of any water lots and water leases work together to optimize and protect potential employment land use of each of these areas.

4. TAXATION INCENTIVE

Tax incentives are available to Richmond through provincial programs for brownfield redevelopment (contaminated sites under consideration for redevelopment), or for areas where revitalization may be encouraged. The revitalization program (Section 226, *Community Charter*) allows owners to be exempt from the municipal tax portion of local government taxes once the program conditions have been met. The exemption can be provided for a 10 year term. The program must be based on agreements and how offsets can be met. This program is recommended for consideration, especially for areas slated for redevelopment (e.g., Alexandra Neighbourhood).

Planning Area Implementation Strategies

CITY CENTRE

1. EMPLOYMENT ROLE:

Recognize that the City Centre as the principal commercial and office area of the city with corresponding levels of employment. Industrial land use in this sector of the city, while continuing to be important, should be accommodated within the established supply and areas identified as Industrial Reserve in the City Centre Area Plan (CCAP). Higher density industrial uses should be encouraged.

2. INDUSTRIAL DEVELOPMENT:

Fostering industrial development on existing, smaller parcels zoned residential can be challenging given the relatively high price of lots (e.g., Industrial Reserve in the Aberdeen Village area). Redevelopment could be aided by:

- Initiating or assisting in land assembly (City and/or others);
- Ensuring that Industrial zoning is applied and that no new residential zoning is approved;
- Encouraging land assemblies that result in larger development sites;
- Providing for reduced municipal taxes for targeted new development as a means of encouraging revitalization; and
- Encouraging higher density employment land uses versus more traditional, low density industrial uses.

3. MIXED USE:

Encourage mixed use developments in the City Centre, allowing for variety, proximity for residential housing, and excellent access to public transit.

Multi-use properties offer opportunities for creative approaches to development and employment. These mixed uses can include office, retail and residential space along major arterials in proximity to transit.

Retail should be considered mandatory at grade level (also meeting some of the commercial land needs in the City Centre).

Additionally, mixed projects of hotels and residential (with development mixes of approximately 50-50) will aid in monitoring a vibrant City Centre in areas not designated exclusively for industrial and/or commercial development.

4. YVR FLIGHT PATH DEVELOPMENT:

Continue to prohibit land use conversion to residential under the flight path. Land values will remain comparatively low, thereby increasing the affordability for employment generating uses.

5. HOME BASED BUSINESSES:

Encourage suitably scaled home based businesses which can access nearby support services (e.g., couriers, copy businesses, office supplies) within residential areas in the City Centre.

6. INSTITUTIONAL AREA PERIMETER USAGE:

Encourage retail and office uses on property perimeters for large institutional uses such as the hospital and medical/research centers that flank major roads as a means of providing support services that allow for a symbiotic relationship between the dominant use (e.g., the hospital) and the support services.

7. OFFICE:

The City is unlikely to see dramatic expansion in major privately occupied high-rise office space by 2041, but public institutional space (e.g., universities, Crown corporations) and regional and local office space will represent good target clients in years to come.

An ideal location for both office and institutional space, given Canada Line access, airport proximity, nearby retail and entertainment areas, and proximity to visitor accommodation, is provided around the intersection of No. 3 Road and Bridgeport (this area is already designated for Commercial, Public Sector and Office purposes). Similar conditions apply to Cambie Road near the Aberdeen Canada Line station.

These locations are well suited to providing opportunities for office and mixed office/retail/business park complexes, given the proximity of good transit.

These areas of the City are able to replicate some of the advantages of suburban office parks, with the added benefit of good transit service.

8. PUBLIC REALM IMPROVEMENTS:

To further stimulate appropriate office development at No. 3 Road and Bridgeport Road, the City should implement public realm improvements (e.g., improved landscaping and streetscapes) in order to ensure the area offers welcoming aesthetic values that further encourage redevelopment to office space and maintain high property values.

NORTH RICHMOND

1. MITCHELL/TWIGG ISLANDS:

Given the established nature of industrial enterprises on Mitchell/Twigg Islands, the long term use of industry in this area should be preserved. If the demand for large property, extensive industrial sites declines in this area (over the next several decades), consideration could be given to permitting redevelopment to lighter industry which responds to this area's

excellent and strategic location and overall accessibility to the western portion of the Metro Vancouver area. A comprehensive development plan (developer or City initiated) could form part of a parcel replotting, redevelopment strategy and road planning exercise in the future.

2. BRIDGEPORT ROAD:

Over time, the redevelopment of aging business enterprises along Bridgeport should be expected. This may offer opportunities to create a more attractive physical environment through introduction of selected areas of landscaping, which will contribute to an overall higher level of appeal/aesthetics and will in turn support higher end businesses, institutional uses and service establishments. Bridgeport Road needs an overall physical development strategy (property ingress/egress, signage, landscaping, lighting, building form and treatment, cohesive design elements, employee amenities, and streetscape design). Secondary access for businesses and buildings situated closer to the front property lines can create positive improvements to the building fabric. The varied mix of development currently supported by Bridgeport Road is reasonable given the various markets this area serves (local and metro Vancouver), thus flexibility should be retained in any land use designations. It is also noted that many good planning strategies are embodied in the City's Bridgeport Area Plan.

3. ALEXANDRA NEIGHBOURHOOD IN WEST CAMBIE:

The 2006 approved West Cambie Area Plan is guiding the conversion of the Alexandra neighbourhood, from small single family lots, to a complete community (6,000 people/ 2,000 jobs). Ideally the City may consider the following with respect to the lands designated for employment uses:

- Initiating or assisting in land assembly (perhaps by investing in one or more key areas to serve as a critical mass to provide sufficient larger sites for commercial, office and mixed use commercial sites - sites of about 20,000 sq. ft.);
- Maintain non-residential zoning in this area to discourage redevelopment to residential;
- Evaluate the potential of providing a period of municipal tax reduction or elimination under the provisions of the provincial *Community Charter* as a means of encouraging redevelopment;
- Ensure that parking standards are not a hindrance to new development, given the proximity of this area to the walkable higher density pedestrian districts in the City Centre area;
- Encourage approved sites for office use (e.g., 2 or 3 storey buildings);
- Ensure that good transit service is available immediately upon redevelopment to facilitate access for employees and customers; and
- Consider the appropriate reduction or elimination of DCCs to encourage new forms of employment land uses, which combined with reduced permit fees, license fees, and permit processing streamlining may enhance opportunities for redevelopment.

4. NOISE SENSITIVITY

Continue to implement the approved city aircraft noise sensitive development (ANSD) policies in the Official Community Plan (OCP) under the flight path.

SEA ISLAND

1. YVR:

It is noted that YVR as a federal facility is not subject to City zoning. Sea Island is an area of the City that consists predominantly of business operations dependent on or serving airport passenger and freight operations. Airport services, including those directly related to terminal operations, air side services, and commercial services within the terminal buildings should continue to be supported. Industrial uses such as cargo handling, freight services, repair and maintenance are all appropriate at YVR.

2. HOTELS AND ANCILLARY SERVICES:

Traveller accommodation and ancillary services at the airport should also be acceptable and be accommodated as airport traffic expands, subject to safety and operational parameters.

3. COMMERCIAL USES:

The Federal Minister of Transportation has approved *YVR's 2027 Land Use Plan* for Sea Island. This plan envisions some groundside commercial, which includes designated, non-airport commercial land uses. When developing these lands, ongoing consultation between YVR and the City will ensure that the operational aspects and potential traffic implications of such developments are anticipated and resolved with implementation.

4. LIAISON:

The City should continue to meet with the Vancouver International Airport Authority on a regular basis to discuss topics of mutual interest, as the City does not exercise direct control over airport lands, which are under Federal jurisdiction.

EAST RICHMOND

1. AGRICULTURAL LAND RESERVE (ALR):

Richmond is committed to retaining lands designated as ALR (Agricultural Land Reserve) for agricultural activities, diversification and food security. Richmond represents a major source of agricultural products to the Lower Mainland, as well as to some export destinations, and efforts should continue to retain and expand the natural values of these lands for food production (such as greenhouses), agricultural employment and operational efficiency.

2. MARINE LOGISTICS AND TRANSPORTATION:

Richmond is one of only a few municipalities in the Lower Mainland that provides for opportunities for marine and marine logistics operations, businesses that in most cases require substantial areas, and access to marine transportation. For this reason, efforts need to be made to ensure that the industrial areas along the south arm of the Fraser River are retained for industries that concentrate on freight logistics including container stuffing and de-stuffing.

3. INDUSTRIAL FLEXIBILITY:

The City must recognize that its employment base is not only of local importance but also serves regional and national economic interests (e.g., Port Metro Vancouver's logistics operations). For this reason, retaining adequate flexibility in meeting future industrial demand is important. For example, if export/import driven demand is substantially greater than anticipated in East Richmond given its industrial land base which lacks land use conflicts, the importance of retaining flexibility in any future industrial planning takes on added value.

4. RIVERPORT:

The Riverport area includes large areas of land currently used for auto storage and handling. Over time, such lands may be determined by the market and by businesses in the area to become too valuable for this type of use. Planning and zoning policies should be in place to allow, as determined by market forces, conversion of such lands to other industrial logistics operations.

5. SOUTH ARM FRASER RIVER:

The potential exists for conflict between potential riverfront residential use and industrial use along the south arm of the Fraser River. It is important to retain and reserve land for industry, particularly industry dependent on river navigation.

CENTRAL RICHMOND

1. HOME BASED BUSINESSES:

Central Richmond, with its proximity to the centre of the community, has good potential for more home based businesses. For this reason, it is important that consideration be given within most residential zones that apply to Central Richmond to allow for a wider variety of home based businesses than currently permitted. These businesses will in some instances serve as low cost (low overhead) incubators that will grow into potentially larger businesses thus enhancing the City's overall economy.

2. NEIGHBOURHOOD CENTRES:

Where local commercial areas exist (e.g., Neighbourhood Shopping Centres), or where such areas are proposed to be redeveloped, ensure that provision is made for small offices, clinics, financial institutions, restaurants and similar operations that provide modest potential for local employment catering to individuals residing in the neighbourhood. To encourage this, buildings that include a residential component should be given favourable consideration. More intensive development (for example, up to 4-6 storey buildings versus 1-2 storey) will aid in accommodating future commercial, institutional and office demand. This building form should require ground level retail, with upper storeys used for offices or a combination of office space and residential.

3. SCHOOL SITES:

Depending on enrolment projections and Provincial limitations on the sale/development of school sites, there may be an opportunity to redevelop some current school properties to accommodate long term institutional land uses given projected demand. To facilitate the

more intensive use of Institutional sites, a minimum floor area ratio may be appropriate. It is suggested that this FAR be at least 0.7 for the parcel on which the building is located (i.e., net of any park or playground area). Currently the SI zone which applies to educational facilities has no minimum or maximum FAR. The City and School Board should continue to consult and co-plan the use of school sites.

SOUTH RICHMOND

1. URBAN EDGES:

Maintain a supportive attitude towards light industrial and business park development that can co-exist with nearby residential and commercial areas.

2. AGRI-INDUSTRY:

The proximity of agricultural operations offers opportunities for agricultural product processing, warehousing and shipping. Such uses, where feasible, can be accommodated either within industrial zoned sites, or on land designated as ALR where approved by the Agricultural Land Commission.

STEVESTON

1. STEVESTON FOCUS:

Employment initiatives in Steveston need to focus on the special attributes of this area, the established fishing industry and the compact historic commercial area that supports substantial seasonal tourism. Favourable consideration should be given to the redevelopment of older commercial and industrial employment areas to accommodate projected employment demands and for the intensification of institutional land uses. Furthermore, care should be taken to ensure that future residential redevelopment on main roads maintains or enhances the current employment generating uses by allowing residential in second and above stories only, with commercial types uses on the main floor. Continued City-Steveston Harbour Authority consultation and co-planning is encouraged.

2. MIXED USE:

Steveston is a community where mixed use development combining employment opportunities (such as marine support services and residential) may work well, given the amenities of the river, nearby parks and good community commercial and recreational services. Mixed use projects that include an employment component are encouraged and should be reflected through the zoning of areas.

3. INDUSTRIAL LANDS:

With the potential conversion of the Trites Road and London Landing areas from industrial to residential uses with some commercial, there is a need for industrial land for displaced and new industrial businesses in Steveston. There are several options that might be considered, while monitoring actual available supply in the years to come:

- Continue to work with the Steveston Harbour Authority (SHA), and others (e.g., DFO, Small Craft Harbours, Port Metro Vancouver), as the SHA plans the redevelopment of its lands;

- Where industries cannot locate in Steveston, encourage them to locate in East Richmond as it has the largest long term supply of industrial lands;
- Accommodate some of the demand in nearby areas to South Richmond, such as the industrial areas between Steveston Highway and the Fraser River; and
- Consider required intensification by establishing a minimum floor area ratio (FAR) for industrial uses in the Light Industrial zone, of at least 0.4 for industries wholly contained within a building (maximum FAR currently is 1.0).

Priorities to Consider

1. DCCs:

Include in the next DCC review (e.g., as part of 2041 OCP Update), consideration of how DCCs are applied with the intent of ensuring that the ability to intensify Industrial land use is encouraged (e.g., base DCCs on land rather than buildings); and where redevelopment of established areas to employment use is under consideration, and where minimal off-site service improvements are needed - assess the potential of reducing the applicable DCCs.

2. MIXED USE:

Evaluate the zoning regulations in the next zoning review to ensure that regulations are in place to provide for various mixes of land use, rather than focusing on segregation of uses. Such zones may need to go hand in hand with appropriate design and landscape policies.

3. PARKING:

Continue to review current parking requirements, especially near major transit hubs, to assess the potential for reduced parking for employment land uses.

4. SERVICING:

Consider advanced servicing programs (e.g., major DCC financed infrastructure such as sewer, drainage, roads, etc.) that facilitate development or redevelopment of key employment areas.

5. TRANSIT:

Continue to ensure major transit routes are planned to provide good coverage to major employment areas outside the City Centre.

6. PUBLIC AMENITIES:

Explore various avenues to improve the public amenities in industrial business parks that permit stand-alone offices that have the effect of ensuring more pedestrian friendly design and streetscape improvements (e.g., interconnecting walkways, well landscaped seating plazas, etc.).

7. ZONING:

Delete the maximum floor area ratios in Industrial zones, and replace them with increased maximum building height provisions, and perhaps minimum FARs, all to be considered as part of the next zoning review.

8. INSTITUTIONAL INTENSIFICATION:

Continue to monitor opportunities to accommodate the long term demand for new institutional uses (e.g., low intensity school sites) or redevelopment of existing sites that could be adapted to more intense use.

9. CITY CENTRE OFFICES:

Develop strategies that actively encourage office development at the north end of the City Centre.

10. INDUSTRIAL VIGILANCE:

Maintain vigilance over the protection of the City's industrial land base. While the expansion of the land base may not be warranted on the basis of the land projections, care should be taken that erosion of the land supply is minimized by discouraging development of prime industrial lands (especially near riverfronts) to non industrial uses.

11. TAX REVIEW

Give consideration to tax incentives for areas proposed for redevelopment to employment land uses as a means of encouraging revitalization.

ATTACHMENT 2

Employment Lands Strategy Model Results

Area	Land Use	2009 Employee (#)	2009 Building (ft ²)	2009 Zoned Land (ac)	2041 Employee (#)	2041 Building (ft ²)	2041 Required Land (ac)	Difference Employee (#)	Difference Building (ft ²)	Difference Land (ac)	Available Land in 2010 (ac)*	Remaining Available Land in 2041 (ac)
City Centre	Industrial	4,700	1,900,000	245	6,500	2,508,000	211	1,800	608,000	-34	211	0
	Commercial	18,500	4,800,000	503	25,300	6,624,000	459	6,800	1,824,000	-44	459	0
	Office	10,200	2,000,000	80	14,700	2,960,000	119	4,500	960,000	39	119	0
	Institutional	7,000	1,800,000	135	12,900	3,528,000	135	5,900	1,728,000	0	135	0
Totals		40,400	10,500,000	963	59,400	15,620,000	924	19,000	5,120,000	-39	924	0
Sea Island	Industrial	10,000	9,800,000	600	13,500	12,500,000	795	3,500	2,700,000	195	965	170
	Commercial	8,300	2,000,000	210	12,200	2,870,000	285	3,900	870,000	75	285	0
	Office	4,000	615,000	65	6,000	945,000	90	2,000	330,000	25	90	0
	Institutional	1,900	500,000	140	3,200	850,000	140	1,300	350,000	0	140	0
Totals		24,200	12,915,000	1,015	34,900	17,165,000	1,310	10,700	4,250,000	295	1,480	170
North Richmond	Industrial	12,700	12,700,000	990	14,600	14,200,000	1,080	1,900	1,500,000	90	1,120	40
	Commercial	8,600	3,320,000	137	10,300	3,927,000	161	1,700	607,000	24	170	9
	Office	8,500	2,900,000	125	10,000	3,100,000	135	1,500	200,000	10	135	0
	Institutional	4,500	445,000	50	5,900	1,200,000	50	1,400	755,000	0	50	0
Totals		34,300	19,365,000	1,302	40,800	22,427,000	1,426	6,500	3,062,000	124	1,475	49
East Richmond	Industrial	7,800	9,300,000	910	10,000	10,900,000	1,020	2,200	1,600,000	110	1,460	440
	Commercial	2,800	400,000	28	3,100	460,000	30	300	60,000	2	86	56
	Office	2,500	200,000	25	3,000	250,000	30	500	50,000	5	25	-5
	Institutional	1,000	1,125,000	82	1,300	1,300,000	82	300	175,000	0	88	6
Totals		14,100	11,025,000	1,045	17,400	12,910,000	1,162	3,300	1,885,000	117	1,659	497
South Richmond	Industrial	2,900	4,900,000	300	4,000	5,700,000	360	1,100	800,000	60	390	30
	Commercial	1,800	520,000	27	2,000	550,000	27	200	30,000	0	27	0
	Office	1,500	400,000	55	1,600	420,000	55	100	20,000	0	55	0
	Institutional	600	220,000	18	700	265,000	18	100	45,000	0	18	0
Totals		6,800	6,040,000	400	8,300	6,935,000	460	1,500	895,000	60	490	30
Steveston	Industrial	1,200	700,000	70	1,300	1,300,000	95	100	600,000	25	70	-25
	Commercial	1,500	430,000	35	1,800	500,000	37	300	70,000	2	35	-2
	Office	950	85,000	2	1,150	120,000	5	200	35,000	3	2	-3
	Institutional	700	770,000	145	1,100	1,000,000	150	400	230,000	5	145	-5
Totals		4,350	1,985,000	252	5,350	2,920,000	287	1,000	935,000	35	252	-35
Central Richmond	Industrial	2,900	0	0	3,300	0	0	400	0	0	0	0
	Commercial	3,500	830,000	50	4,300	1,025,000	70	800	195,000	20	50	-20
	Office	2,500	200,000	10	3,000	275,000	15	500	75,000	5	10	-5
	Institutional	2,000	3,300,000	630	2,800	3,865,000	665	800	565,000	35	630	-35
Totals		10,900	4,330,000	690	13,400	5,165,000	750	2,500	835,000	60	690	-60
City of Richmond	Industrial	42,200	39,300,000	3,115	53,200	47,108,000	3,561	11,000	7,808,000	446	4,216	655
	Commercial	45,000	12,300,000	990	59,000	15,956,000	1,069	14,000	3,656,000	79	1,112	43
	Office	30,150	6,400,000	362	39,450	8,070,000	449	9,300	1,670,000	87	436	-13
	Institutional	17,700	8,160,000	1,200	27,900	12,008,000	1,240	10,200	3,848,000	40	1,206	-34
Totals		135,050	66,160,000	5,667	179,550	83,142,000	6,319	44,500	16,982,000	652	6,970	651

* The amount of available land is based on current OCP designations

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Location of Net Available Land By Employment Sector in 2009 (acres)				
Employment Sector	Net Available Land in 2009* (acres)	Location/Owner	Planning Area	Acres designated in OCP
Industrial	1,101	YVR	Sea Island	365
		Port Metro Vancouver	East Richmond	330
		EcoWaste	East Richmond	140
		Mitchell Island	North Richmond	120
		River Road	East Richmond	45
		BC Ferries	South Richmond	40
		City of Richmond	South Richmond	25
		Riverport	East Richmond	20
		Fraserwood Industrial Park	East Richmond	15
		Riverside Industrial Park	South Richmond	10
		Fraser River Pile & Dredge	South Richmond	10
		Vulcan Way	North Richmond	10
		Crown Provincial	South Richmond	5
Commercial	122	YVR	Sea Island	75
		Riverport	East Richmond	58
		Alexandra (West Cambie)	North Richmond	33
Office	74	Bridgeport & Aberdeen Villages	City Centre	39
		YVR	Sea Island	25
		Alexandra (West Cambie)	North Richmond	10
Institutional	6	City of Richmond (Riverport)	East Richmond	6

* Net Available Land in 2009 = Available Land (ac) based on current OCP designations - 2009 Zoned Land (ac)

Information in the table above indicates where the City has OCP designated land (as of 2009). For example, Industrial land designated for development and controlled by YVR is 365 acres, with Port Metro Vancouver controlling another designated 330 acres, which combined account for approximately 695 acres of the total available OCP designated Industrial land of 1,101 acres. The data for City Centre reflects the fact that the City Centre is expected to replace 34 acres of Industrial land and 44 acres of Commercial land with other uses. As a result the OCP designated acreage in the final column (for Commercial and Industrial) are overstated. The totals in the Net Available Land reflect actual available properties (source: City of Richmond).