

**METRO VANCOUVER REGIONAL DISTRICT
INDUSTRIAL LANDS STRATEGY TASK FORCE**

REGULAR MEETING

Friday, May 1, 2020

1:00 p.m.

28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia

REVISED AGENDA¹

1. ADOPTION OF THE AGENDA

1.1 May 1, 2020 Regular Meeting Agenda

That the Industrial Lands Strategy Task Force adopt the agenda for its regular meeting scheduled for May 1, 2020 as circulated.

2. ADOPTION OF THE MINUTES

2.1 November 21, 2019 Regular Meeting Minutes

That the Industrial Lands Strategy Task Force adopt the minutes of its regular meeting held November 21, 2019 as circulated.

3. DELEGATIONS

4. INVITED PRESENTATIONS

5. REPORTS FROM COMMITTEE OR STAFF

***Additional
Attachment***

5.1 Regional Industrial Lands Strategy - Approval

Designated Speaker: Eric Aderneck, Senior Planner, Regional Planning and Housing Services

That the MVRD Board:

- a) approve the Metro Vancouver *Regional Industrial Lands Strategy* as presented in the report dated April 15, 2020 titled, "Metro Vancouver Regional Industrial Lands Strategy - Approval";
- b) forward the *Regional Industrial Lands Strategy* to member jurisdictions and non-voting Industrial Lands Strategy Task Force member agencies requesting endorsement and implementation of actions attributed to each specific organization; and

¹ Note: Recommendation is shown under each item, where applicable.

- c) forward the *Regional Industrial Lands Strategy* to the Squamish-Lillooet Regional District, Fraser Valley Regional District, Vancouver Airport Authority, and Commercial Real Estate Development Association requesting endorsement, and seeking implementation collaboration opportunities.

6. INFORMATION ITEMS

7. OTHER BUSINESS

8. BUSINESS ARISING FROM DELEGATIONS

9. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

10. ADJOURNMENT/CONCLUSION

That the Industrial Lands Strategy Task Force Committee adjourn/conclude its regular meeting of May 1, 2020.

Membership:

Harvie, George (C) - Delta
West, Brad (VC) - Port Coquitlam
Back, Jordan - North Vancouver District
Baird, Ken - Tsawwassen First Nation
Brodie, Malcolm - Richmond
Buchanan, Linda - North Vancouver City
Kirby-Yung, Sarah – Vancouver
Locke, Brenda – Surrey
Towner, Teri - Coquitlam

Non-Voting Members:

Desmond, Kevin - TransLink
Bronstein, Ron - Ministry of Jobs, Trade and Technology
Grout, Kim - Agriculture Land Commission
Litwin, Val - BC Chamber of Commerce
McMullin, Anne - Urban Development Institute
Silber, Arnold - Value Property Group
Silvester, Robin - Port of Vancouver
Yuen, Todd – Industrial at Beedie Development

**METRO VANCOUVER REGIONAL DISTRICT
INDUSTRIAL LANDS STRATEGY TASK FORCE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Industrial Lands Strategy Task Force held at 9:04 a.m. on Thursday, November 21, 2019 in the 28th Floor Committee Room, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Mayor George Harvie, Delta
Councillor Jordan Back, North Vancouver District
Chief Ken Baird, Tsawwassen
Mayor Malcolm Brodie, Richmond
Mayor Linda Buchanan, North Vancouver City
Councillor Sarah Kirby-Yung, Vancouver (arrived at 9:21 a.m.)
Councillor Brenda Locke, Surrey
Councillor Teri Towner, Coquitlam

MEMBERS ABSENT:

Vice Chair, Mayor Brad West, Port Coquitlam

NON-VOTING MEMBERS PRESENT:

Lindsay Colin, Port of Vancouver (alternate)
Sarah Ross, TransLink (alternate)
Todd Yuen, Beedie Group

NON-VOTING MEMBERS ABSENT:

Ron Bronstein, Ministry of Jobs, Trade and Technology
Kim Grout, Agricultural Land Commission
Val Litwin, BC Chamber of Commerce
Anne McMullin, Urban Development Institute
Arnold Silber, Value Property Group

STAFF PRESENT:

Heather McNell, Director, Regional Planning and Electoral Area Services, Planning and Environment
Jerry Dobrovolny, Chief Administrative Officer
Janis Knaupp, Legislative Services Coordinator, Board and Information Services

1. ADOPTION OF THE AGENDA

1.1 November 21, 2019 Regular Meeting Agenda

It was MOVED and SECONDED

That the Industrial Lands Strategy Task Force adopt the agenda for its regular meeting scheduled for November 21, 2019 as circulated.

CARRIED

2. ADOPTION OF THE MINUTES

2.1 September 12, 2019 Regular Meeting Minutes

It was MOVED and SECONDED

That the Industrial Lands Strategy Task Force adopt the minutes of its regular meeting held September 12, 2019 as circulated.

CARRIED

3. DELEGATIONS

No items presented.

4. INVITED PRESENTATIONS

No items presented.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Regional Industrial Lands Strategy – Draft

Report dated November 15, 2019 from Heather McNell, Director of Regional Planning and Electoral Area Services, Planning and Environment, providing the Industrial Lands Strategy Task Force the draft *Regional Industrial Lands Strategy* (the draft Strategy) for comment, and seeking MVRD Board direction for a final round of stakeholder engagement.

Lucy Duco, Policy Coordinator, Corporate Communications, External Relations, introduced the purpose of the meeting to present the draft Strategy and to seek feedback from members related to draft recommendations and priority actions.

Russel Mathew and Adam Mattinson, Hemson Consulting Ltd., updated members on the draft Strategy highlighting vision, main challenges, key findings, recommendation development process, recommendations related to protecting remaining industrial land, intensifying and optimizing industrial lands, bringing the existing supply to market and addressing site issues, coordinated approach, and priority actions for implementing strategy recommendations.

Members were requested to consider whether proposed recommendations are sufficient and appropriate, and if priority actions align with expectations.

9:21 a.m. Director Kirby-Yung arrived at the meeting.

Members commented that the Strategy is easy to read and visually-appealing, and suggested that as part of further consultation efforts consideration be given to:

- incorporating a statement that agricultural lands not be used to solve the industrial land supply challenge
- assessing all land uses for all lands in the region, how they impact each other, objectives for land protection, and opportunities for land use enhancement
- defining trade-enabling uses and clarifying what is meant by the protection of trade-enabling lands
- regarding the protection of industrial lands, clarifying what is considered acceptable mixed use, and identifying how to account for rapid transit stations when looking at trade-enabling lands
- exploring potential impacts to land values and business affordability as a result of intensification and the removal of height restrictions
- supporting a higher voting threshold for any conversion of industrial land as part of the regional growth strategy

Members were informed about staff plans in 2020 to conduct a regional land use assessment acknowledging the MVRD Board's position on the protection of agricultural land.

Members further suggested consideration be given to:

- potential approval delays and lack of understanding of individual municipal needs with any provincial regulations of trade-enabling lands
- potential tax burden impacts with efforts to intensify and optimize lands
- when managing land use conflicts, examining residential and other land uses and how they are designed versus focusing on buffering on the industrial land base
- reviewing the Strategy on an annual basis to ensure tools are creating opportunities for industrial land and efforts are coordinated
- local transportation and goods movement issues such as truck parking on agricultural land
- engaging municipal councils to convey the importance of the Strategy; potentially through an upcoming Council of Councils Committee meeting
- regarding site and adjacency issues, reflecting why some industrial locations are inherently challenging to serve with transit, and targeting these areas for uses that have lower trip generation

In response to questions about transportation connectivity between industrial areas, members were informed that recommendations 18 through 22 reaffirm efforts by Metro Vancouver and TransLink to integrate findings of the *Regional Goods Movement Strategy (RGMS)* and *Regional Transportation Strategy*, and that language can be added to the Strategy to reinforce this context.

Members suggested that consideration also be given to:

- as part of strengthening regional policy, better defining the collaborative partnership with the Province on trade-enabling lands to ensure informed land use decisions
- provincial and federal government representation in the Strategy
- further discussing the proposed increase in voting threshold, in the regional growth strategy, for any conversion of industrial land
- not examining tax rates given increasing local government costs and unequal distribution of tax revenue among local, provincial and federal governments

Members resumed discussion about potential use of agricultural land by industrial to address the industrial land supply constraint. Members commented on the need to examine all land uses as part of an overall land use assessment.

It was MOVED and SECONDED

That the MVRD Board:

- a) receive for information the report dated November 15, 2019, titled “Regional Industrial Lands Strategy – Draft”,
- b) direct staff to conduct a final round of consultation and report back with a finalized Regional Industrial Lands Strategy for endorsement; and
- c) direct staff to include in the draft *Regional Industrial Lands Strategy* a statement to the effect that solutions to the shortage of industrial lands in the region do not include the possibility of encroachment onto agricultural lands.

CARRIED

Members were requested to consider how their organization will engage with the Strategy and if they will endorse specific actions to help shape a recommendation to the Board.

Members commented on the need:

- for Metro Vancouver staff to present the draft Strategy to local government councils to gain support for and understanding of the Strategy
- to understand ramifications of the recommendation just passed by the Task Force in terms of seeking approval for infrastructure on non-ALR land and potential impacts moving industrial land forward
- to conduct an in-depth review of the draft Strategy prior to endorsing

In response to questions, members were informed that the draft Strategy has been considered by the Regional Planning Advisory Committee regularly, and presented to the Regional Administrative Advisory Committee for information.

Members were informed about further consultation efforts planned should the Board support the recommendation to refer the Strategy as presented in the report.

Members commented about some local government studies underway examining employment lands as part of update to Official Community Plans, and how the draft Strategy will tie into these processes.

Members were updated on next steps related to consultation including stakeholder engagement and presentations to external agencies, with the final Strategy being presented to the Task Force and Board in the first quarter of 2020.

In response to questions regarding timing, members were informed that the final Strategy will inform the to update to *Metro 2040*.

Presentation material titled "Regional Industrial Lands Strategy Draft Strategy Summary and Discussion" is retained with the November 21, 2019 agenda.

6. INFORMATION ITEMS

No items presented.

7. OTHER BUSINESS

No items presented.

8. BUSINESS ARISING FROM DELEGATIONS

No items presented.

9. RESOLUTION TO CLOSE MEETING

No items presented.

10. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED


That the Industrial Lands Strategy Task Force Committee conclude its regular meeting of November 21, 2019.

CARRIED

(Time: 10:06 a.m.)



Janis Knaupp,
Legislative Services Coordinator



George Harvie, Chair

To: Industrial Lands Strategy Task Force

From: Eric Aderneck, Senior Planner, Regional Planning and Housing Services

Date: April 15, 2020 Meeting Date: May 1, 2020

Subject: **Metro Vancouver Regional Industrial Lands Strategy - Approval**

RECOMMENDATION

That the MVRD Board:

- a) approve the Metro Vancouver *Regional Industrial Lands Strategy* as presented in the report dated April 15, 2020 titled, “Metro Vancouver Regional Industrial Lands Strategy - Approval”;
- b) forward the *Regional Industrial Lands Strategy* to member jurisdictions and non-voting Industrial Lands Strategy Task Force member agencies requesting endorsement and implementation of actions attributed to each specific organization; and
- c) forward the *Regional Industrial Lands Strategy* to the Squamish-Lillooet Regional District, Fraser Valley Regional District, Vancouver Airport Authority, and Commercial Real Estate Development Association requesting endorsement, and seeking implementation collaboration opportunities.

EXECUTIVE SUMMARY

The Metro Vancouver *Regional Industrial Lands Strategy* (the ‘Strategy’) is now complete after two years of research and engagement. The final Strategy is being presented for approval by the Industrial Lands Strategy Task Force and the MVRD Board. The Strategy identifies 35 recommendations to respond to the 4 principal challenges facing the region’s industrial lands, with 10 priority actions for early implementation. As part of the engagement process, a wide range of opinions were received from different stakeholders. The Strategy attempts to balance these diverse interests while striving to achieve its vision: ensure sufficient industrial lands to meet the needs of a growing and evolving regional economy to the year 2050. The priority actions identified each have a level of support from relevant stakeholders to advance as part of the Strategy’s implementation program.

PURPOSE

To seek approval of the Metro Vancouver *Regional Industrial Lands Strategy* (Attachment 1) and direction to distribute the Strategy seeking broad endorsement and collaborative implementation.

BACKGROUND

In early 2018, recognizing both the shortage and importance of industrial lands in the region to the economy, Metro Vancouver’s Board Chair struck the Industrial Lands Strategy Task Force to guide the development of a Regional Industrial Lands Strategy. The Metro Vancouver *Regional Industrial Lands Strategy* (the Strategy) vision is to ensure a sufficient supply of industrial lands to meet the needs of a growing and evolving regional economy to the year 2050. Development of the Strategy has been a collaborative process involving a wide range of public and private sector stakeholders.

The draft Strategy was presented to the Industrial Lands Strategy Task Force and the MVRD Board in November 2019, and the Board directed staff to undertake a third and final round of

consultation. This report provides a summary of the stakeholder engagement, and the final Metro Vancouver *Regional Industrial Lands Strategy* for approval.

REGIONAL INDUSTRIAL LANDS STRATEGY

The Strategy is the culmination of over two years of work, and summarizes the findings of research and engagement undertaken. The Strategy responds to the main challenges facing the region's industrial land base and interests, identified as follows:

- 1) A constrained land supply and critical industrial land shortage
- 2) Pressures on industrial lands to convert to non-industrial purposes
- 3) Site and adjacency issues with challenges bringing industrial lands to market
- 4) A complex jurisdictional environment requiring collective and concerted efforts

The Strategy identifies a set of 35 recommendations to respond to the principal challenges facing the region's industrial lands, organized by their shared core objectives into the following 4 'Big Moves':

- 1) Protect Remaining Industrial Lands
- 2) Intensify and Optimize Industrial Lands
- 3) Bring the Existing Land Supply to Market & Address Site Issues
- 4) Ensure a Coordinated Approach

Priority Actions

Based on the process to develop the Strategy, including the research program, stakeholder and industry engagement, and inputs from multiple sources, of the 35 recommendations in the Strategy, 10 priority actions have been identified as having an optimum balance of: short term readiness, a wide level of support by industry, a logical sequence to feed into the subsequent steps of the implementation program, and a direct relevance to inform the update of the regional growth strategy.

The Strategy's 10 priority actions for early implementation are outlined below, with estimated completion year noted in brackets.

1. Define trade-oriented lands (2020) – large sites associated with the transportation of goods to and through the region, such as by rail and the port, which serve a national function and are crucial to the economy, warranting additional attention and possible protection for these strategic lands.
2. Undertake a regional land use assessment (2021) – proactively, in collaboration with member jurisdictions, identify the 'best' locations for different types of land uses based on a set of criteria.
3. Strengthen regional policy (2022) – explore implementation changes, such as higher voting thresholds to amend regional Industrial land use designations, as part of the update of the regional growth strategy.
4. Seek greater consistency in local government zoning definitions and permitted uses (2022) – stricter definition consistency of permitted industrial uses on industrial lands through municipal plans and bylaws, supported by guidelines and best practices.

5. Facilitate the intensification / densification of industrial forms where possible (2020) – multi level industrial buildings or other development forms, with either providing incentives or removing regulatory barriers like zoning height and density limits to encourage a more efficient use of the limited land supply.
6. Prepare bring-to-market strategies for vacant or under-development industrial lands (2022) – proactively address issues preventing the development of vacant or under-utilized industrial lands, which may have unique site challenges, such as servicing limitations, soil qualities, and ownership assembly.
7. Ensure transportation connectivity (ongoing) – that serves industrial areas for both the movement of goods and workers, through coordinated investment in the transportation network, implementation of the regional goods movement strategy, enhanced regional truck route network, efficient container drayage, and transit for industrial workers.
8. Coordinate strategies for economic growth and investment (2022) – profile the importance of industrial lands for the economy, and link with municipal economic development objectives and the Metro Vancouver Regional Economic Prosperity Service, to attract investment to the region.
9. Improve data and monitoring (2020 + 2021) – update the Metro Vancouver Regional Industrial Lands Inventory to have a better understanding of the current land uses and supply, and conduct a survey of industrial businesses to better understand their employment needs.
10. Develop a framework for coordination (2021) – for cross-boundary economic and land use planning matters, work with the neighbouring regional district of Fraser Valley and Squamish-Lillooet as well as the Province, to advance further linkages through coordinated infrastructure investments, land use planning, and economic development initiatives.

These coordinated timely actions will work to ensure the region's industrial lands provide a viable location for industrial businesses to expand while also supporting the broader regional economy and community. Further details for each action will be developed during implementation and associated engagement. Additional actions will be identified for prioritization in subsequent periods through the implementation work.

REGIONAL INDUSTRIAL LANDS STRATEGY DEVELOPMENT PROCESS

The Industrial Lands Strategy Task Force meetings were held throughout 2018 and 2019 to provide guidance for the development of the Strategy. Metro Vancouver retained Hemson Consulting to coordinate the development of the Strategy. With the support of Metro Vancouver staff, multiple rounds of consultation with the Task Force and stakeholders identified and refined a set of policy options and recommendations to inform the direction of the Strategy.

As part of the process to develop the Strategy, Metro Vancouver hosted three stakeholder workshops in 2019 (May 29, Sept 11, Dec 10), with representation from the public and private sectors. In addition, there have been numerous meetings and presentations with specific groups, such as the Port of Vancouver, Commercial Real Estate Development Association (NAIOP), UDI, chambers of commerce / boards of trade, Urban Freight Council, Greater Vancouver Gateway Council, as well as a Subject Matter Expert Panel.

The draft Strategy was presented to the Industrial Lands Strategy Task Force on November 21, 2019 and to the MVRD Board on November 29, 2019. That report summarized the findings of the work

undertaken by the consultant and identified 35 recommendations and 10 priority actions for implementation to respond to the challenges facing the region’s industrial land base and interests. The MVRD Board directed staff to conduct a third and final round of stakeholder engagement to finalize the Strategy. The Industrial Lands Strategy Task Force introduced, and the Metro Vancouver Board passed, a resolution directing staff to include a statement in the Strategy that in seeking means to address the shortage of industrial land in the region, encroachment onto agricultural lands not be a solution.

RESULTS FROM THE FINAL ROUND OF ENGAGEMENT

As part of the final round of engagement from December 2019 to March 2020, Metro Vancouver staff held meetings with key stakeholders. The objective was to receive input on the draft Strategy’s key components, particularly the proposed recommendations and 10 priority actions (Attachment 2 contains the original 10 priority actions identified in draft Strategy), any specific items that organizations identified as priorities or concerns for further discussion, and the potential of other organizations to have a role in its implementation.

The stakeholder engagement comments varied greatly in terms of ideas on how to address industrial land matters. These comments are summarized in Attachment 3, with received comment letters attached (Attachment 4).

During the final round of engagement, there was identified wide support for many of the recommended actions, specifically:

- Industrial lands inventory update
- Comprehensive regional land use assessment
- Enhanced transportation connectivity
- Industrial lands intensification / densification
- Bring-to-market strategies

However, there were two actions that development industry stakeholders and several local governments had concerns about or were opposed to, namely:

- ‘Industrial Land Reserve’ concept
- Trade-oriented land use designation with restriction on strata tenure

Informed by the final round of engagement, the Strategy was finalized in April 2020. Reflecting comments received in the final round of stakeholder engagement, the Strategy was refined and prepared in a graphically-oriented Metro Vancouver format. Other changes included: adjustments to 10 priority actions including adding phasing and dependencies for some of the actions (i.e. for the industrial land reserve and trade-oriented lands concept); restructuring the introduction sections; further explaining the role and importance of industrial lands in the region; adding reference to the changing nature of industrial activities; and further explaining the implementation process.

NEXT STEPS

Implementation of the Strategy will require the continued close collaboration with stakeholders, and a long-term commitment by Metro Vancouver and member jurisdictions to achieve success.

Subject to approval by the Industrial Lands Strategy Task Force and MVRD Board, the final Strategy will be circulated to member jurisdictions and other agencies and organizations for endorsement and implementation.

The Industrial Lands Strategy Task Force was struck to guide the development of the Strategy, however, the industrial and employment portfolio sits within the Terms of Reference of the Regional Planning Committee, which will be responsible for the Strategy's implementation. Staff will report back to the Regional Planning Committee on a regular basis on implementation progress and seek direction, as required. Implementation of the actions identified in the Strategy will require stakeholder engagement and Regional Planning Committee and MVRD Board direction, and will be addressed through regular budget processes.

Implementation success is defined as a prosperous regional economy, full workforce employment, and an efficient transportation system, achieved through an adequate supply and location, as well as use and utilization, of industrial lands that can house a wide variety of industrial functions that support both the regional as well as national economies.

ALTERNATIVES

1. That the MVRD Board:
 - a) approve the Metro Vancouver *Regional Industrial Lands Strategy* as presented in the report dated April 15, 2020 titled, "Metro Vancouver Regional Industrial Lands Strategy - Approval";
 - b) forward the *Regional Industrial Lands Strategy* to member jurisdictions and non-voting Industrial Lands Strategy Task Force member agencies requesting endorsement and implementation of actions attributed to each specific organization; and
 - c) forward the *Regional Industrial Lands Strategy* to the Squamish-Lillooet Regional District, Fraser Valley Regional District, Vancouver Airport Authority, and Commercial Real Estate Development Association requesting endorsement, and seeking implementation collaboration opportunities.
2. That the MVRD Board receive for information the report titled "Metro Vancouver Regional Industrial Lands Strategy - Approval", dated April 15, 2020, and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The development of the *Regional Industrial Lands Strategy* was part of the Board approved 2018, 2019, and 2020 Regional Planning budgets. Metro Vancouver retained the services of Hemson Consulting to support the development of the Strategy, with a budget of \$75,000. Additional consultant support for background research was also part of the 2018 and 2019 Board approved budgets. The total costs for developing the Strategy, including engagement, was \$140,000.

CONCLUSION

Guided by the Industrial Lands Strategy Task Force, informed through two years of research and engagement work, and extensive contribution from member municipalities, stakeholders and industry participants, the Metro Vancouver *Regional Industrial Lands Strategy* has been prepared. The Strategy summarizes the findings of the work, and identifies 35 recommendations and 10

priority actions to respond to the challenges facing the region’s industrial land base. Additional actions for subsequent periods will be identified through the implementation work.

The results of the last round of engagement were incorporated into the final *Regional Industrial Lands Strategy*, which is now being presented to the Industrial Lands Strategy Task Force and MVRD Board for approval.

Attachments

1. *Regional Industrial Lands Strategy*
2. November 2019 Draft Version - 10 Priority Actions
3. Summary of Stakeholder Comments Received during Final Round of Engagement
4. Stakeholder Comment Letters Received During Final Round of Engagement
 - a) City of Delta
 - b) Fraser Valley Regional District
 - c) Port of Vancouver
 - d) Vancouver Airport Authority
 - e) Urban Development Institute (UDI)
 - f) Commercial Real Estate Development Association (NAIOP)

References

[Metro Vancouver Industrial Lands Strategy Webpage](#)



Metro Vancouver
**Regional Industrial
Lands Strategy**

May 2020

ACKNOWLEDGEMENT OF APPRECIATION

Metro Vancouver would like to thank the following for participating in the development of the Regional Industrial Lands Strategy.

The Industrial Lands Strategy Task Force provided core input and guidance. The Task Force was chaired in turn by Mayor George Harvie, City of Delta and Mayor Richard Stewart, City of Coquitlam. Task Force representatives included:

- Elected officials from within Metro Vancouver
- BC Ministry of Jobs, Trade and Technology
- Port of Vancouver
- TransLink
- BC Chamber of Commerce
- Agricultural Land Commission
- Urban Development Institute
- Beedie Group
- Value Property Group

Hemson Consulting guided much of the engagement and prepared the draft Strategy. Metro Vancouver also acknowledges the individuals who participated in stakeholder workshops and the Subject Matter Expert Panel, as well as the Greater Vancouver Urban Freight Council, Greater Vancouver Gateway Council, and NAIOP Commercial Real Estate Development Association.

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EXECUTIVE SUMMARY

Industrial lands are crucial to supporting a prosperous and sustainable regional economy. Industrial lands accommodate over one-quarter of the region's total employment, and contribute to the region's economic well-being, along with important linkages to transportation, trade, and taxation matters. Across the region, Metro Vancouver's industrial lands serve as home to a wide range of employment activities that, in turn, play a crucial role in supporting the broader regional, provincial, and national economies. From providing services to other local businesses, offering a broad range of well paying jobs, to enabling trade between Canada and the rest of the world, industrial lands are a key component to accommodating Metro Vancouver's continued growth.

The Metro Vancouver region is facing a critical shortage of industrial land. Years of steady population and economic growth in the region, ongoing conversion and non-industrial uses of industrial lands, and the constrained geography of the region, have precipitated the challenges facing Metro Vancouver's industrial land supply. It is important to align industrial land use planning with the region's economic interests. The productivity of industrial land is inherently tied and linked to the larger system of buildings, transport infrastructure, and access to labour, which all contribute to the vitality and viability of the system.

Demand for industrial land continues to increase. Land values have increased significantly over the past few years and vacancy rates are at record lows. As a result of all these factors, the limited supply of vacant industrial land across the region is anticipated to face a worsening shortage over the coming years. With continued pressure for growth, limited options for expansion and increasing competition between other land uses, these issues now threaten not only new opportunities for growth, but also existing economic and employment activities.

The Challenge

Through canvassing industrial stakeholders and users around the region, the four main challenges facing Metro Vancouver's industrial lands are:

1. A Constrained Land Supply

Bounded by the ocean, mountain ranges and an international border, the region is geographically constrained with limited options to expand the land base. As the region's population and economy continue to grow, this results in increasing demand for, and competition amongst, various land uses including residential, commercial, recreational, agricultural and industrial. With a limited supply of vacant industrial land remaining, there are fewer opportunities to accommodate both new industrial businesses and those businesses that are seeking to expand their operations, particularly for uses that require larger parcel sizes with the necessary access to services and transportation infrastructure.

2. Pressures on Industrial Lands

As other land uses also compete for the limited amount of land available in the region, industrial lands are facing increased speculation and other market pressures to convert to non-industrial uses, such as commercial and residential. These other uses typically are higher value; often pricing-out industrial land uses when a range or mix of land uses are permitted in industrial areas.

In addition, there is an increasing trend toward permitting more accessory and non-industrial uses on lands intended for industrial activities. These employment uses, although important to the regional economy, may displace and create location challenges for more traditional industrial uses.

3. Site and Adjacency Issues

In some cases, the high cost of delivering servicing to undeveloped industrial areas has proven prohibitive. Similar issues related to environmental constraints, lack of transportation and public transit infrastructure and the encroachment of nearby sensitive uses have discouraged or prevented industrial development where it might otherwise be accommodated. Similarly, the encroachment of sensitive land uses often result in conflicts with industrial operations (i.e. truck traffic, noise, odours) which can prove disruptive to existing and prospective industrial uses.

4. A Complex Jurisdictional Environment

The issues facing Metro Vancouver's industrial land supply involve multiple stakeholders, including the public sector, crown corporations, private sector, industry associations, chambers of commerce and boards of trade. In some cases, these challenges are compounded by overlapping jurisdictions amongst government agencies, leading to a fractured regulatory landscape and competing mandates. Similarly, varying approaches to industrial land use (including permitted activities and intensities) may be in conflict with the aspirations of the region and neighbouring jurisdictions.

The Response

In response to the challenges facing industrial lands and interests of industrial stakeholders in the region, the Metro Vancouver Regional District (Metro Vancouver) struck an Industrial Lands Strategy Task Force (the Task Force) comprising appointed MVRD Board Directors and representatives from other stakeholder agencies and organizations.

The Task Force's mandate was to guide the development of a Regional Industrial Lands Strategy to address the challenges noted. This has been a collaborative process involving a range of stakeholders with an interest in the current and future role that industrial lands should play in the region. This includes understanding how current industry sectors in Metro Vancouver use land for different types of industrial activities, challenges facing the development and operation of industrial lands within the region, and how the changing nature of work and industry could impact the future demand for land, along with associated transportation implications. Despite uncertain impacts on the future, all indications are that demand for industrial land will continue to grow.

Vision

The Regional Industrial Lands Strategy seeks to:

Ensure sufficient industrial lands to meet the needs of a growing and evolving regional economy to the year 2050

The vision statement speaks to both the timeframe for the Strategy as well as acknowledging the challenges posed by the changing nature of work and potential impacts on the regional economy and industrial land use and demand.

The 4 'Big Moves' and 10 Priority Actions

The challenges facing Metro Vancouver's industrial lands are complex and interconnected, and no single action or stakeholder will resolve them alone. Market forces and types of industrial activity vary significantly by sub-region, such that for example, forms of densification that may be possible in certain urban locations may not be appropriate in other locations. There are a wide range of national, regional and local serving industrial activities in the region, which have different site and location needs, and which, as a result require different policy responses. Accordingly, recommended actions need to balance regional objectives, while addressing local contexts – 'one size' does not fit all.

To respond to the challenges noted above, the Strategy identifies **35 recommendations** with **10 priority actions** organized around **4 Big Moves**:

- Protect Remaining Industrial Lands
- Intensify and Optimize Industrial Lands
- Bring the Existing Land Supply to Market & Address Site Issues
- Ensure a Coordinated Approach

The priority actions are formed, in part, by packaging together related actions in the longer list of recommendations into combined shorter-term actions, to be implemented over the first few years of endorsement of the Regional Industrial Lands Strategy.

Big Move 1 - Protect Remaining Industrial Lands

Given the ongoing and projected demand for industrial land in the region, it is imperative to protect the region's remaining industrial lands and curb the threats that undermine their use for industrial activities. This means lands for trade-oriented purposes as well as for small, local serving businesses; businesses that are responding to the changing nature of industry as well as more traditional industrial activities. The priority actions for this Big Move are:

1. **Define Trade-Oriented Lands:** Trade-oriented lands are large sites associated with the transportation of goods to and through the region, such as by rail and the port, which serve a national function and are crucial to the region's economy, warranting additional attention and possible protection. A clear, consistent and collaboratively developed definition and understanding of the extent and location of these important lands will support their protection. Metro Vancouver will work with member jurisdictions to establish a definition for trade-oriented lands. (Subsequent actions identified in the 35 recommendations include consideration of a regional trade-oriented land use overlay in the regional growth strategy and municipal consideration of trade-oriented zoning.)

2. **Undertake a Regional Land Use Assessment:**

Given Metro Vancouver’s constrained land base, there is significant pressure for competing, legitimate land uses across the region. Metro Vancouver will undertake a targeted or region-wide assessment of land use, looking at and beyond the existing policy framework to proactively identify the ‘best’ locations for different land uses based on a collaboratively developed set of criteria.

3. **Strengthen Regional Policy:** Through the update of the regional growth strategy, Metro Vancouver will explore implementation changes, such as a consistent definition for Industrial, higher voting thresholds to amend the regional Industrial land use designation, and exploration of ‘no net loss’ as part of the amendment criteria.

4. **Seek Greater Consistency in Local Government Zoning Definitions and Permitted Uses:**

Metro Vancouver will, in collaboration with member jurisdictions and other regional agencies, develop a consistent definition of ‘industrial’ and guidelines for permitted uses. Member jurisdictions, through regional context statement updates, will review and update their zoning bylaws using the established guidelines.



Big Move 2 - Intensify and Optimize Industrial Lands

Given the region’s constrained land base, it is critical to encourage the most efficient use of the remaining land supply for all types of industrial users, to remove barriers to the intensification of industrial land, and investigate opportunities to optimize the location of certain land uses over time. The priority action for the Big Move is:

5. **Facilitate the Intensification / Densification of Industrial Forms Where Possible:**

Municipalities will review and remove unnecessary restrictions to density or height limits where appropriate; plan space to accommodate new, smaller industrial uses when older, centrally located industrial areas densify; allow mixing of industrial with other employment uses so long as the industrial component is secured as a condition of redevelopment; and explore opportunities to encourage intensification / densification in target areas. Metro Vancouver will explore allowing mixed-use with residential on Mixed Employment lands immediately proximate to Rail Rapid Transit Stations (distance to be determined, but suggest 200 metres) as long as existing industrial space is maintained or expanded and other objectives of *Metro Vancouver 2040: Shaping our Future (Metro 2040)*, the regional growth strategy, are met (e.g. affordable, rental housing).

Big Move 3 - Bring the Existing Land Supply to Market & Address Site Issues

Certain parts of the vacant industrial land supply suffer from site-specific challenges, such as limited infrastructure support, environmental concerns, and under-sized parcels. Where vacant lands have not come to the market, local municipalities may benefit from the preparation of a bring-to-market strategy. Such a strategy would identify the issues that have prevented the development of the undeveloped or under-developed industrial land, while providing a roadmap to achieve the municipality's economic goals for its remaining industrial lands. The priority actions for this Big Move are:

6. Prepare Bring-to-Market Strategies for Vacant or Under-developed Industrial Lands:

Municipalities with vacant or under-developed industrial lands will prepare a bring-to-market strategy for their industrial land that addresses strengths, weaknesses, opportunities and challenges, to encourage reinvestment and more

intensive use, considers municipal assembly and consolidation of fragmented parcels, whether environmental remediation is required, and if local servicing and infrastructure improvements are required and can be accommodated through front-ending infrastructure investment agreements.

7. **Ensure Transportation Connectivity:** The efficient movement of goods and people is critical for many industrial businesses, both local serving and trade-oriented, in terms of where they choose to locate. The maintenance and growth of a resilient and reliable transportation network, including various modes of transit, is an integral component in planning for the effective management of the region's industrial lands. TransLink, Metro Vancouver, the Port, the Airport and municipalities will continue to work together to coordinate investment in the transportation network, implement the Regional Goods Movement Strategy, enhance the regional truck route network, support efficient container drayage, and provide transit for industrial workers.



Big Move 4 - Ensure a Coordinated Approach

Improved cooperation and data tracking among governments and other agencies and organizations is necessary to ensure effective land management and accurate monitoring into the future. Coordination also guides future alignment of policy responses to issues as they arise across Metro Vancouver and south-western British Columbia. The priority actions for this Big Move are:

8. **Coordinate Strategies for Economic Growth and Investment:** Metro Vancouver and member jurisdictions have a shared interest in attracting new investment and supporting economic and employment activities across the region. Many municipalities have an economic development office or department that work to retain and support the expansion of local businesses. Metro Vancouver's new Regional Economic Prosperity Service provides the opportunity for a regional approach to economic development that will amplify and complement the work of member jurisdictions.
9. **Improve Data and Monitoring:** Timely access to quality data is critical for land management and the development of effective economic policy. Metro Vancouver will update the Metro Vancouver Regional Industrial Lands Inventory to have a better understanding of the current land uses and supply, and complete a Regional Employment Survey.

10. Develop a Framework for Coordination:

Pressures on industrial lands are not limited to Metro Vancouver. Adjacent regional districts are part of the same goods movement network and commuter-shed and they are facing similar land pressures and challenges. The Province will work collaboratively with Metro Vancouver, TransLink, and municipalities on cross-boundary economic and land use planning matters and will develop a framework for economic and land use planning coordination between neighbouring regions in the broader Southwestern BC economic region to support industrial land protection. For example, Metro Vancouver will seek to sign a memorandum of understanding with the Fraser Valley Regional District outlining shared priorities regarding the effective and efficient management, protection, and development of industrial lands within the Lower Mainland.

Implementation

Taken together, these 10 Priority Actions will ensure Metro Vancouver's industrial lands continue to provide an attractive and viable location for industrial businesses to locate, grow and prosper, while supporting the broader regional economy and community. Further details for each action will be developed during implementation, including key stakeholder engagement. Furthermore, it is recognized that there is a logical sequencing of actions to inform subsequent work.

The Regional Industrial Lands Strategy will be periodically reviewed for effectiveness. The status of policy progress and market conditions can inform adjustments to actions as needed. Additional actions will be identified for prioritization in subsequent periods through the implementation work.

SETTING THE STAGE

Metro Vancouver is facing a shortage of industrial land. With strong demand for industrial space, many industrial businesses are finding it increasingly difficult to find suitable locations, while the prevalence of conversions to non-industrial uses in some areas further reduces the remaining supply of industrial land.

Industrial lands are crucial to supporting a prosperous, sustainable regional economy and to providing space to accommodate the industrial businesses and services needed across Metro Vancouver. These lands are home to over one-quarter of the region's jobs, and are used mainly for transportation and warehousing, wholesale trade, retail trade, manufacturing, and professional and technical services.

Some industrial activities provide critical regional services, such as infrastructure maintenance and repair, while other activities contribute to a diversified regional economy. Many activities on industrial lands provide for the day-to-day needs of Metro Vancouver's residents and businesses, providing locations for services like regional utilities, vehicle repair, hotel laundry services, catering companies, couriers, breweries, goods manufacturing, and design space. These different businesses need different types of spaces to optimize their operations.

While some industries are and will continue to be land-intensive, other forms may be accommodated in high density / intensity buildings. Modern industry needs different types of space than traditional industry, and will both impact and respond to changing business, economic, employment, and transportation conditions.

Furthermore, the type of industrial activity varies greatly across the Metro Vancouver region, from urban industrial in Vancouver to logistics facilities in locations close to port terminals, and warehouses in Surrey and Langley. Each jurisdiction has unique competitive strengths and strategies for supporting international, regional and/or local demand.

Due to a constrained land base and strong demand for all types of land use, the regional supply of industrial land is under significant pressure for conversion to permit uses that can command higher market values, such as retail, commercial and residential uses. In some parts of the region, flexible zoning has allowed non-industrial businesses to occupy industrial lands, competing for and at times displacing the industrial uses that cannot easily locate elsewhere. In other areas, the encroachment of sensitive uses, like residential, next to existing industrial operations is resulting in conflicts that threaten the continued operation of the original industrial use. These challenges, along with many others, are eroding opportunities for industrial businesses to operate and grow, which in turn threatens the economic diversity and vitality of the broader regional economy.



Metro Vancouver's Industrial Lands Strategy Task Force

In response to the challenges facing the region's industrial lands, Metro Vancouver struck an Industrial Lands Strategy Task Force in March of 2018, which continued into early 2020.

The mandate of the Task Force is to guide the development of the Regional Industrial Lands Strategy. It was intended to be a collaborative process involving a range of stakeholders with an interest in the present and future role that industrial lands play in the region. This includes developing a greater understanding of how current industry sectors use land for different types of industrial activities, the challenges facing the development and operation of industrial lands, and considering how the changing nature of work and industry could impact the demand for land in the future in the region.

The Task Force includes both voting members, comprising appointed Metro Vancouver Board Directors, and non-voting members, comprising representatives from agencies and organizations with an interest in, and specialized knowledge about industrial lands. Non-voting members included representatives of the Port of Vancouver, TransLink, the Urban Development Institute, the BC Ministry of Jobs, Trade and Technology, BC Chamber of Commerce, Agricultural Land Commission, and representatives from the industrial development community. The Task Force was responsible for guiding the development of research and stakeholder consultation to support the development of the Regional Industrial Lands Strategy, before reporting back to the Metro Vancouver Board with the recommended Strategy.

Vision

One of the first efforts of the Task Force was to confirm a vision for the Regional Industrial Lands Strategy.

Ensure sufficient industrial lands to meet the needs of a growing and evolving regional economy to the year 2050

The vision statement speaks to both the timeframe for the strategy as well as acknowledging the challenges posed by the changing nature of work and potential impacts on the regional economy and land demand.

Definition of 'Industrial'

If the objective of the Regional Industrial Lands Strategy is to ensure the sufficient supply of industrial lands, the first step is to develop a greater understanding of what the Strategy is seeking to protect lands for – i.e. how is 'industrial' defined.

Across the region, municipal policies and bylaws vary in terms of what uses are permitted within industrial and employment zoning. For example, some municipal bylaws limit permitted uses to more traditional industrial activities, such as manufacturing, warehousing and distribution logistics, while others provide more flexibility to accommodate a range of uses, such as commercial, places of worship, and indoor recreation. This flexibility of use can be beneficial towards realizing opportunities associated with the changing nature of industry and the emerging innovation economy, but it can also result in the displacement of more traditional industrial activities and increasing space and land supply challenges for industrial activities.

This is of particular concern in the context of the region's constrained land supply as it relates to the infiltration of industrial areas by non-industrial uses that could potentially locate elsewhere. The challenge is striking the right balance of narrowing the permitted uses to protect the needs of region-serving and trade-oriented activities, while remaining sufficiently flexible to allow for innovation in appropriate locations and ensure sufficient space for non-industrial and employment uses (e.g. in Urban Centres, which generally have better transit infrastructure and more amenities).

'Industrial' represents a wide spectrum of uses and intensities, ranging from large distribution and transportation lands, warehouses, manufacturing and processing facilities, to small local-serving production and suppliers, and new technology-driven businesses with integrated work spaces, which all need different types of accommodations to optimize their operations. Many regional jobs and businesses are also connected to national trade and the port, which require industrial lands for handling goods – e.g. for container storage, freight forwarding, warehouses, and other distribution functions. Towards this end, the Task Force, through consultation with regional stakeholders, developed a working definition for 'industrial' uses for the purpose of the Regional Industrial Lands Strategy.

Industrial is defined as:

- Light and heavy industrial production (e.g. cement manufacturing, food and beverage manufacturing, furniture manufacturing, metalwork and fabrication, sawmills)
- Distribution (e.g. warehousing, industrial storage, freight trucking, intermodal couriers)
- Repair (e.g. autobody shops, truck and trailer repair, consumer goods repair)
- Construction materials and equipment (e.g. building supplies and specialty trade contractors, heavy equipment rental and leasing)
- Infrastructure (e.g. public utilities such as wastewater treatment facilities and pumping stations, works yards, rail / port terminals)
- Outdoor storage activities (e.g. container storage)
- Wholesale (e.g. merchant and logistics wholesalers)

In addition to the more traditional industrial uses, the Strategy also recognizes other non-traditional industrial uses that may be compatible with industrial uses based on a number of criteria, best dealt with at the local and site levels (Tables 1 and 2).



TABLE 1: CRITERIA TO ASSIST IN DEFINING INDUSTRIAL USE & COMPATIBILITY

CRITERIA	DESCRIPTION
Compatibility with adjacent uses	Whether a business is an emitter of noise, vibration, odour or visual nuisances that make occupying areas proximate to other land uses (e.g. residential, commercial institutional) challenging
Access (to site and goods movement network)	Whether the business requires access to particular infrastructure or modes of transportation such as water, rail, airport, and highway
Space requirements and scale of business	Whether the business requires large / unique site or building characteristics
Product produced	Whether the business manufactures, distributes or repairs a physical product
Trip generation	Whether the business generates or handles relatively large amounts of truck or client traffic
Client type	Whether the business is geared toward other business or the public
Ancillary/hybrid use	Percentage of the business that is office if a hybrid use (e.g. bio-tech)

SOURCE: DEFINING INDUSTRIAL FOR THE REGIONAL INDUSTRIAL LANDS STRATEGY, METRO VANCOUVER, SEPTEMBER 2018

Through consultation with stakeholders, these criteria were used to categorize a spectrum of uses into four land use categories that align with *Metro 2040's* land use designations. These include traditional industrial activities that are appropriate for lands designated or zoned Industrial; flexible uses considered appropriate for lands designated or zoned Employment;

non-industrial uses that should not be permitted on Industrial lands; and context-specific uses that could be appropriate for Industrial or Employment lands depending on the criteria listed in Table 1. The spectrum of uses by applicable land use category are summarized in Table 2.

TABLE 2: APPLICABLE USES BY LAND USE CATEGORY

INDUSTRIAL	<ul style="list-style-type: none"> • Light and heavy industrial production • Distribution • Repair • Construction materials and equipment • Infrastructure • Outdoor storage • Wholesale
EMPLOYMENT	<ul style="list-style-type: none"> • Indoor Storage (e.g. self-storage) • Stand-alone office (e.g. law and financial offices) • Stand-alone recreation (e.g. karate studios, theatres, crossfit and climbing gyms, badminton/tennis facilities) • Retail / wholesale (e.g. big box, car dealerships, furniture, automotive parts) • High tech software development • Consulting services (e.g. engineering, architecture, environmental)
NON-INDUSTRIAL	<ul style="list-style-type: none"> • Residential and supportive housing • Artist studios and live/work space • Agriculture (soil based growing) • Places of worship • Institutional uses (e.g. schools, day cares, hospitals)
CONTEXT SPECIFIC	<ul style="list-style-type: none"> • Restaurants (i.e. serving adjacent industrial activities versus being a draw for the public) • Retail (i.e. micro-breweries depends on scale and percent retail) • Services (i.e. commercial laundry, bakery, catering depends on scale) • Research and development (i.e. high-tech, bio-tech that require 'industrial' space) • Media production studios (i.e. movie, recording, television and radio)

SOURCE: DEFINING INDUSTRIAL FOR THE REGIONAL INDUSTRIAL LANDS STRATEGY, METRO VANCOUVER, SEPTEMBER 2018

The Changing Nature of Industrial

The changing nature of the economy means that business and industrial activities are evolving, as are desired space needs and location preferences, and associated employment and transportation implications. This may include new types of manufacturing, advanced technology, and integrated work spaces. In some cases, these uses may be less impactful in terms of external nuisances, and different levels of employment density.

The new types of business models may not neatly fit within the traditional paradigm of 'heavy' or 'light' industrial. The types and definitions of industrial activities are evolving and becoming more diverse. Notable new forms of industrial activity include:

- Clustering together or co-locating of related operations can support eco-industrial networks and circular economy systems, where companies collaborate to utilize each other's by-products (material loops) and share resources (peer-to-peer lending) to increase overall efficiencies. These sectors can include: innovative R&D, green / clean-tech, and smart technologies.
- Local artistry 'maker movement' craftsmanship.
- High tech and other newer forms of industry such as: e-commerce, direct-to-consumer deliveries, co-facilities, advanced technology, on-demand manufacturing, and creative / media / design.
- Significant industrial land intensification as a result of market forces, specifically new industrial uses, growth in logistics, smart warehouses, and e-commerce. The reasons are that new industrial capital investments often leverage existing and emerging technologies to either scale their output or increase value-added production.

- Logistics, distribution, global supply chains, and new forms of industrial or manufacturing activity are driving demand for industrial property.
- New forms of intense industrial development such as mega-distribution facilities and e-commerce logistics facilities have become dominant features of the major industrial real estate markets in the world. The availability of a sufficient number of large-sized land parcels to support this activity, along with labour availability, influences site selection for these activities worldwide. In certain cases, the shortage of large parcels of industrially zoned land may be an obstacle to attracting such developments of a certain size.
- Evolving business models in response to e-commerce and technology are placing increasing importance on the need for integrated space where design, manufacturing, distribution, and showroom / retail activities can occur within a single building.

Findings - Role of Industrial Lands

In setting the stage for the Regional Industrial Lands Strategy, a significant body of research was undertaken. The following findings provide an overarching summary of that work, and set the stage for the Strategy's recommendations:

1. Industrial lands play a critical role in supporting both local employment and the broader regional and national economies.
2. A broad spectrum of employment activities take place on industrial lands, many of which are unlikely or unable to locate elsewhere within the region.

3. Industrial land uses have specific spatial and infrastructural needs that must be planned and protected to ensure their efficient operation and continued growth.
4. Many industrial businesses rely on dependable access to the goods movement network to ensure the timely movement of product to and from suppliers and their clients, along with transit services to link businesses with a broader range of the region's workforce.
5. While industrial areas can benefit from a mix of complimentary and secondary uses, many industrial uses struggle to compete when non-industrial uses are allowed to encroach upon and develop within industrial lands:
 - there is limited alignment on what constitutes an 'industrial' use and some local zoning have permitted distinctly non-industrial uses to locate and occupy a significant amount of industrial land;
 - the encroachment of sensitive uses, such as residential, often creates conflicts with abutting industrial activities. Without sufficient buffering to separate these uses, or mitigation measures to limit conflict, encroachment may threaten the operation and growth outlook for existing industrial operations.
6. The market for industrial land and how it is used varies across the region, with differing land values, rents, and spatial characteristics in different sub-markets.
7. There are a number of ways in which industrial uses can make more efficient use of a limited land supply, including intensification of built form where local development restrictions, geotechnical / soil conditions, and market factors permit. However, not all market areas or industrial operations are well suited to multi-level industrial buildings.
8. Innovation and the changing nature of work in industrial areas requires a careful balance between protecting for certain uses and enabling flexibility to realize emerging economic opportunities:
 - the limited supply of available industrial land, coupled with speculation and competition amongst other land uses, is resulting in rising costs and fewer options for new and existing industrial businesses;
 - without careful management of the region's remaining industrial land supply, there is a real risk that industrial activities may be displaced or may choose to (re)locate elsewhere outside of the region; and
 - mismanagement of the region's industrial land supply has the potential to impact not only industrial employment and economic activity, but also the broader economic outlook for Metro Vancouver.
9. Given the diverse characteristics of Metro Vancouver's industrial sub-markets and geographies, policy options that work well in one jurisdiction or area may not apply to another. As such, policy recommendations in the Regional Industrial Lands Strategy must not be implemented in a blanket manner but instead must recognize local context and applicability.

THE ROLE OF INDUSTRIAL LANDS BY SECTOR IN THE METRO VANCOUVER ECONOMY

The Metro Vancouver regional industrial market stretches from the North Shore and Vancouver area to the Fraser Valley. The Metro Vancouver region is experiencing an acute shortage of industrial land supply, which manifests as very low vacancy rates, increasing land prices, and higher lease rates. These factors impact the industrial real estate market, spurring more development of industrial projects (within the limitations of land supply) and more intense / dense forms of industrial development.

Demand for industrial space continues to set new records as both owner-operator and investor interest in industrial assets strengthen amid low vacancy, constrained land supply, and rising rental rates throughout Metro Vancouver.

According to market reports, demand is driven by distribution of consumer goods (warehouses), food / beverage (processing), building supplies, technology users, and film production. Logistics associated with last-mile delivery and e-commerce are also in strong demand, requiring well-located urban premises. In core locations, increasing prices force a transition to more specialized light manufacturing, tech, office and showroom-type uses.

Also identified as new users of industrial space are small scale, artisanal businesses, such as custom manufacturing, small batch production, and food processing, some relating to the sharing economy, such as facilities with common kitchens. Many of these businesses require small space, and are local serving, benefiting from close proximity to the consumer population.

In recent years the rapidly growing film industry has been turning to warehouse sites to convert the structures into large production studios. As such, modern warehouse space is now becoming more attractive to both the logistics and film industry.

The anticipated growth trajectory of the Port of Vancouver's containerized cargo volumes will remain a structural driver of demand for industrial real estate in the region. The Port and associated operations require trade-oriented lands, which are large and close to transportation infrastructure.

Growth is also occurring in tech firms in urban light industrial areas, noting the diverse types: high tech, bio-tech, software, and digital. These businesses often need high ceiling, studios, labs, storage, and power, with various activities including, R&D, packaging, and distribution on site -- industrial space that meets their needs. Furthermore, different types of tech companies have different abilities to pay, in terms of both wages and accommodations; most small and young companies cannot afford high lease rents or to purchase strata space.

Economic Contribution of Industrial Lands

Industrial lands are the foundation for a significant component of the Metro Vancouver region's economic activity, representing a large amount of employment and economic activity.

- Comprising only 4% of the region's land base, industrial lands are home to nearly 27% (364,000) of the region's 1.3 million jobs, while also supporting an additional 163,000 jobs through indirect and induced impacts.
- Jobs located in industrial areas tend to be high paying, offering an average wage of \$61,100 per worker, which is roughly 10% higher than the regional average wage of \$55,000 per worker.
- In 2016, business activities on industrial lands generated \$27 billion in direct Gross Domestic Product (GDP), equating to 30% of the region's total GDP. These activities also accounted for an additional \$30 billion in indirect and induced GDP, of which \$16 billion is within the region, \$5 billion is accrued elsewhere in the province, and \$9 billion accrues elsewhere in Canada.



The Metro Vancouver industrial market continues to experience very strong demand for space and a limited supply of land. As described by one brokerage firm, “with record-low vacancy, escalating rental rates, an expensive and constrained industrial land supply and an insufficient volume of new development” there is a “ravenous appetite for industrial real estate among tenants, owner-occupiers, developers as well as private and institutional investors”.

The demand is based on a growing regional population and economy, Metro Vancouver's geographic role as a transportation gateway for the nation, and evolving and emerging forms of industrial. Notable drivers of demand are: e-commerce, logistics and distribution, light manufacturing, food processing, advanced technologies, and creative and media production sectors, many of which desire urban locations to be close to their customers and workforce.

On the supply side, the quantity of available land is essentially fixed, and the amount of new industrial building floor area being built cannot keep up with absorption:

- Metro Vancouver had, as of 2015, approximately 11,300 hectares (28,000 acres) of industrial land, about 80% of which is already developed. Within this supply, local brokerages estimate there to be 210 million square feet of industrial building floor space.

- Because the development of new space has not kept pace with demand, the industrial vacancy rate of 1.4% is a record low for the region, and counts amongst the lowest in North America's major markets.
- Competition for space is resulting in increasing rental rates across the region, ranging from \$10.50 per square foot in Surrey and Delta to \$14.50 per square foot in Vancouver and North Vancouver.
- Values for vacant industrial land are also up significantly in recent years, past the \$2 million per acre mark in many areas, and much higher in the City of Vancouver.
- Purchase prices for strata industrial space have followed similar trends ranging from \$300 to \$500 per square foot depending on the sub-market, with Vancouver representing the higher end.
- Despite the development of new supply being at an all time high, with some 6 million square feet of building space under construction, absorption levels have yet to abate, indicating demand is outpacing the market's ability to provide space.

Within this market, industrial tenants are facing limited space options to accommodate their new and expanding businesses, while also experiencing increased pressure from rising market rents, maintenance costs and property taxes. Businesses are faced with either renewing their lease at notably higher rates, or relocating further away from the region's core markets, driven – or indeed, pushed – by availability and costs rather than location preferences.

Employment and Economic Activity

Of the 364,100 jobs located on the region's industrial lands, 200,400 (55%) are associated with industrial activities, involving production, distribution, repair, public infrastructure, and trade-oriented uses (employment activity located on lands associated with the Port of Vancouver and Vancouver Airport Authority). Industrial activities are significant contributors to the local economy, contributing proportionally more GDP per job than the regional average. These jobs generated an estimated \$17.3 billion in direct GDP in 2016.

Non-industrial activities, that is those jobs in sectors related to media, film and art production, research and development in professional and technical services, retail and other services, also play a significant role on the region's industrial lands. These sectors account for 163,700 direct jobs and approximately \$9.5 billion in direct GDP (Table 3), though their impact is proportionally lower on a per jobs basis than the industrial sectors. This is primarily on account of the higher economic multipliers (linkages and spending with other sectors) and higher average wages associated with activity in the industrial sectors.

TABLE 3: ECONOMIC IMPACTS OF EMPLOYMENT LOCATED ON INDUSTRIAL LANDS, BY SECTOR, 2016

ECONOMIC IMPACT		IMPACTS:	REGION	BRITISH COLUMBIA	CANADA	
EMPLOYMENT (JOBS)	Industrial Sectors	Direct	200,400	200,400	200,400	
		Indirect	59,200	78,100	111,400	
		Induced	48,000	62,900	87,900	
		Total	307,600	341,400	399,600	
	Non-Industrial Sectors	Direct	163,700	163,700	163,700	
		Indirect	28,900	36,000	50,400	
		Induced	28,900	33,600	45,800	
		Total	219,400	233,200	259,900	
	All Sectors	Total	527,100	574,600	659,500	
	GDP (\$ BILLIONS)	Industrial Sectors	Direct	\$ 17.3	\$ 17.3	\$ 17.3
			Indirect	\$ 5.5	\$ 7.3	\$ 11.2
			Induced	\$ 5.2	\$ 6.8	\$ 9.5
Total			\$ 28.0	\$ 31.4	\$ 38.0	
Non-Industrial Sectors		Direct	\$ 9.5	\$ 9.5	\$ 9.5	
		Indirect	\$ 2.5	\$ 3.2	\$ 4.6	
		Induced	\$ 2.9	\$ 3.6	\$ 4.9	
		Total	\$ 15.0	\$ 16.3	\$ 19.1	
All Sectors		Total	\$ 43.0	\$ 47.7	\$ 57.1	

SOURCE: STATISTICS CANADA CENSUS 2016, METRO VANCOUVER AND INTERVISTAS ANALYSIS AND CALCULATIONS.

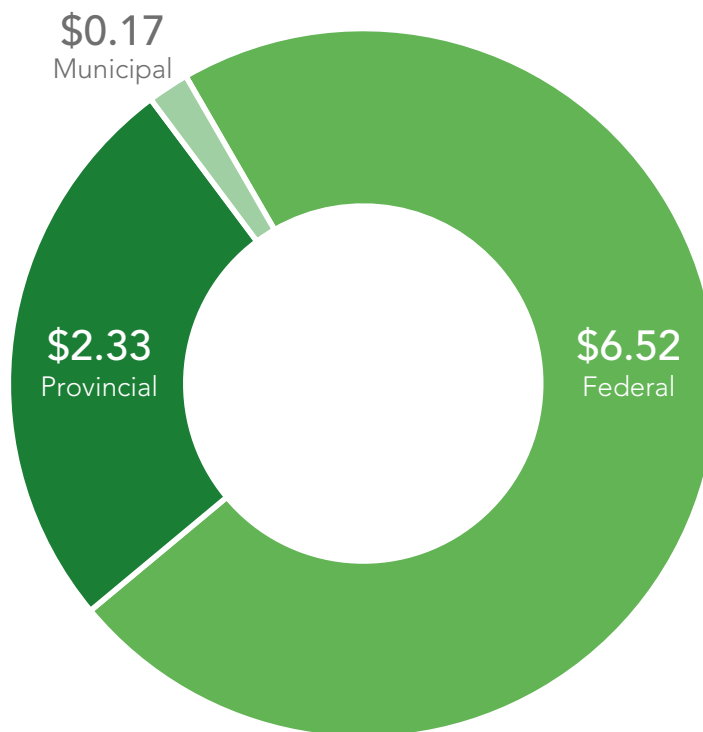
NOTE: DATA ARE ROUNDED AND MAY NOT SUM. PRICES ARE 2016 DOLLARS.

Tax Impacts

Metro Vancouver's industrial lands are estimated to generate \$6.5 billion in tax revenues and fees for the Federal government and \$2.3 billion for the Provincial government (Figure 1). Industrial sector jobs make a

greater contribution to Federal and Provincial revenues when compared to non-industrial sector jobs located in the industrial areas, primarily on account of their higher average wages for industrial related jobs.

FIGURE 1: ESTIMATED FEDERAL, PROVINCIAL AND MUNICIPAL TAX REVENUES GENERATED BY INDUSTRIAL LANDS (\$BILLIONS)



SOURCE: INTERVISTAS' TAX MODEL AND CALCULATIONS, AND ANALYSIS OF BRITISH COLUMBIA GOVERNMENT TAX BURDEN SCHEDULE 707 2016 ASSESSMENTS, TAX RATES, MUNICIPAL TAXES AND CLASS PROPORTIONS OF TAXES AND ASSESSMENTS.

METRO VANCOUVER INDUSTRIAL LANDS - ISSUES AND TRENDS

Industrial lands are crucial to supporting a prosperous and sustainable regional economy and to providing space to accommodate the industrial businesses and services needed across Metro Vancouver. Industrial lands serve both an important regional role in the economy and employment, and, as a facilitator of trade-oriented activities, a critical national role to the wider economy. Industrial lands, while only comprising 4% of the land base, accommodate over one-quarter of the region's total employment, and contribute to the region's economic well-being, along with the associated linkages to transportation, trade, and taxation matters, supporting the broader regional, provincial, and national economies.

'Industrial' represents a wide spectrum of uses and intensities, ranging from large distribution and transportation lands, warehouses, manufacturing and processing facilities, to small local-serving production and suppliers, and new technology-driven businesses with integrated work spaces. These businesses all have different needs in terms of accommodations to optimize their operations, as well as location, property and building size requirements.

Industrial lands accommodate many businesses that serve the wider economy, and provide employment opportunities close to home for residents, as well as taxation benefits to the respective local municipality. Industrial lands provide for the day-to-day needs of the population, locations for services like vehicle repair, hotel laundry, catering companies, breweries and couriers, etc., that serve and provide employment opportunities for both the region and the surrounding communities. Many regional businesses and jobs are also connected to national trade through the Port of Vancouver, which requires industrial lands for the handling of goods including: container storage, rail shunting, freight forwarding, warehouses, and other distribution functions.

The Metro Vancouver market conditions are a function of a very tight supply of industrial lands in the region, and strong demand from multiple business sectors. Strong economic fundamentals are driving demand for industrial space in the region, while a shortage of developable space (especially larger size land parcels) has kept available supply constrained. The price to lease industrial space in Metro Vancouver has increased greatly. In response, some new industrial developments are built to more intense / dense levels, while some industrial tenants are rationing space or being displaced, and in other cases are leaving the region.

This section assesses the current state of industrial lands in Metro Vancouver and provides information on trends, issues, context, opportunities and challenges for the Strategy's recommendations. Research was compiled through a comprehensive review of various market and academic sources, including a series of studies and white papers prepared for the Task Force. These studies include:

- Regional Industrial Lands Strategy – Issues and Initiatives Summary (June 2018);
- Industrial Lands and the Innovation Economy (June 2018);
- Defining Industrial for the Regional Industrial Lands Strategy (September 2018);
- Stratification of Industrial Land in Metro Vancouver (September 2018);
- Industrial Edges: Compatibility and Interface Issues in Metro Vancouver (September 2018);
- Agri-Industrial Activities in Metro Vancouver (February 2019);

- Regional Industrial Lands Strategy – Survey of Industrial Users (February 2019);
- Economic Value of Industrial Lands to the Metro Vancouver Region (February 2019); and
- The Changing Nature of Industry and Industrial Land Demand in Metro Vancouver (July 2019).

Regional plans should guide market forces in ways that respond to industrial needs while considering other community objectives. The complexity lies in balancing industrial trends, development viability, business needs, responsive regulations, and other community interests. The challenge and opportunity is how to best use and intensify industrial uses without losing the industrial function of the lands.

Challenges Facing Metro Vancouver Industrial Lands

With regional population and employment growth, and a constrained land base, the region faces a number of challenges related to the protection, management and promotion of industrial and employment lands. These challenges have been categorized into four themes:

- A. Constrained Land Supply
- B. Pressure on Industrial Lands
- C. Site and Adjacency Issues
- D. Complex Jurisdictional Environment

The challenges are complex and interconnected, and addressing them will require creative responses and collaboration among all stakeholders in the region.



A. Constrained Land Supply

The challenges facing Metro Vancouver and its industrial land supply are somewhat unique, at least in the North American context. Unlike most other North American markets, where continued demand can often be accommodated via development and growth into outer areas, Metro Vancouver is bounded both physically and politically between mountains, an ocean and an international border. While there is some potential for industrial development in the neighbouring Fraser Valley Regional District to the east, it too has a limited supply of vacant industrial land available, leaving the land supply within the Lower Mainland predominantly capped.

Between the limited supply of vacant industrial lands and high demand for new space, there is a scarcity of lands in general. This is of particular concern as it relates to larger parcel sizes (20+ acres), that are typically required for major industrial and logistical uses. This problem is further exacerbated by the fragmented nature of much of the region's remaining vacant land parcels, which results in lands that are suitable for some industrial activities, but insufficient for large-scale development, in terms of size, location, or other attributes.

With limited options through traditional expansion-based methods, Metro Vancouver will need to embrace creative options for increasing both the supply and capacity of its industrial lands. These alternative approaches are not without their own challenges, as discussed in the following examples.

In the past, it was common to expand industrial and port areas into shorelines by using fill. However, the environmental and economic costs and necessary approvals and mitigation measures can be prohibitive, resulting in the practice being used much more sparingly in recent years. The Port of Vancouver is

currently undertaking a comprehensive study to expand the Roberts Bank container terminal using this approach; though beyond that project there are few prospects for this approach to be applied elsewhere in the region.

B. Pressure on Industrial Lands

Not only are the region's industrial lands in short supply, they are also under threat of being further diminished due to a number of factors, including allowance of non-industrial uses and being out-priced due to high land values and property taxation. At the same time, industrial uses seeking other locations to suit their needs are putting pressure on the region's agricultural land.

Competition and encroachment from non-employment uses are putting considerable pressure on industrial lands. The encroachment of these sensitive land uses often result in conflicts with industrial operations (i.e. truck traffic, noise, odours) which can prove disruptive to existing and prospective industrial uses. Mixing non-industrial uses in industrial areas or converting the lands entirely runs the risk of encouraging speculation, which in turn may drive up land values and prevent industrial growth or displace existing industrial users.

Industrial areas can benefit from the presence of a number of complimentary non-industrial uses, including restaurants and amenities to serve local workers, and ancillary retail and office components that are related to the primary industrial use. However, these and many other non-industrial uses can also compete for space in the industrial area. Many non-industrial uses are able to locate in other parts of the urban land supply, but given the comparatively lower cost of land and space, may prefer to locate in industrial areas if permitted to do so.

C. Site and Adjacency Issues

In addition to the macro-level challenges facing industrial lands, various site-specific issues are creating barriers to the effective development and redevelopment of the region's industrial lands:

- In the case of unserviced industrial lands, the high cost of delivering necessary servicing and infrastructure may be preventing the establishment of new industrial activity;
- A number of industrial areas have limited access to the Regional Truck Route Network and other infrastructure intended for the movement of goods and materials, including access to railways and navigable waterways;
- Recognizing that some industrial lands are located in areas that are challenging to serve efficiently with transit, limitations to transportation and transit infrastructure, coupled with a lack of local amenities, can make it difficult for some industrial businesses to attract and retain workers; and
- Regulations and policies related to industrial impacts on sensitive environmental features are limiting the development capacity of certain sites, requiring setbacks / buffers that can reduce building footprints to unusable sizes. Similar requirements for the remediation of previously occupied industrial sites have proven cost-prohibitive for some industrial developments.

D. Complex Jurisdictional Environment

Industrial lands and industrial activities play a crucial role in the region and its economy. While land use is primarily managed at the municipal level, decisions related to the effective management of industrial lands have the potential to affect neighbouring municipalities, the broader region, and even aspects of the economy at the provincial and national level.

At the same time, the issues facing industrial lands involve multiple stakeholders and overlapping jurisdictions of government, which may have their own organizational mandates. The result is a fractured regulatory landscape which can occasionally result in redundancies or competing policy objectives that stifle the effective utilization of the region's remaining industrial lands for various purposes. For example, the Port of Vancouver, with its federal mandate to accommodate and grow trade-related economic activity, is not subject to provincial or regional policy. As the Port has acquired lands to support this objective, critics have raised concern that the Port is overriding local, regional and provincial land use policies and objectives, including the protection of agricultural land or other local priorities.

In other regards, competition between neighbouring municipalities to attract business and grow their respective property tax bases may result in decisions that undermine the resiliency of the broader regional economy. This is best exemplified by the continued conversion of industrial areas to higher value land uses, despite the limited amount of industrial land remaining in the region.

Lack of collaboration and coordination between government agencies is also resulting in insufficient data sharing, and policy alignment between organizations. These gaps have resulted in policy misalignment (such as overly permissive zoning in industrial areas) and blind spots (such as infrequent reporting on industrial land take up) which make it difficult to track and respond to issues facing industrial lands in a timely manner.

Taking Sock: Finding Opportunities

Trade-Oriented Uses

Industrial businesses cover a range of activities, locational preferences and site needs. For example, a manufacturer of specialized computer components may require a far different type of space than that of a distribution and logistics warehouse operation. Much like the competition between industrial and non-industrial space users, industrial uses with different operational needs may also be able to support different values for land and space.

This disparity is of particular note when it comes to trade-oriented uses, such as the logistics, warehousing and distribution of goods. These uses tend to require specific locations with good access to port, rail or highway infrastructure, often in the form of large warehouses with ample space for the loading and unloading of trucks. However, smaller specialized industrial users can also compete for these types of sites, and may be a more financially viable form of development on high value lands, particularly if developing multi-storey and / or stratified sites. This can prove a challenge given the limited number of large sites in the region that have the characteristics needed by trade-oriented businesses.

Stratification of Industrial

Another way in which Metro Vancouver is unique in the North American context is the popularity of owner-operated strata industrial space. Whereas most commercial and industrial users in North American markets tend to operate in leased space, the limited land supply and high land prices in the Metro Vancouver market, coupled with sustained periods of low interest rates, have resulted in significant demand for owner-occupied strata units.

The benefit of strata-ownership is that it allows smaller industrial users to have security of tenure over their space, providing stability while also enabling the owner-occupier to experience capital appreciation. The upfront nature (i.e. pre-sales) and high sales prices for strata property sales also enable developers to de-risk the development of more capital-intensive built forms, including multi-storey industrial projects, and can prove beneficial for users seeking space in denser inner-city locations.

However, stratified space is not conducive to all industrial users. The high cost may be prohibitive to smaller businesses and may limit the flexibility of firms looking to expand. The subdivision of individual units within buildings may also prove problematic for larger firms seeking large, cohesive spaces. This also poses a potential long-term issue for the redevelopment of existing space, requiring the consolidation of fragmented ownership within buildings. Speculation for strata may also price-out larger traditional and trade-oriented industrial land users from being able to acquire properties.

Increasing Industrial Capacity Through Intensification / Densification

With limited options to increase the land base, many industrial projects are now considering building upwards; modern warehouse distribution centres are developed to be significantly more volumetrically intensive than traditional warehousing operations. Multi-storey industrial buildings are rare in North American due to the high capital costs associated with constructing space that meets the needs of modern industrial businesses, which in turn requires a much higher rent in order to ensure a sufficient return on investment for developers. This also includes the need for sufficient truck access to enable the movement of goods, requiring ramps, freight elevators and loading bays, making site design more complex.

Traditionally, this meant that only smaller users were likely to occupy multi-storey industrial space, specifically those that needed to be located in proximity to the urban core, and were flexible in their space needs. However, as market pressures have increased, interest in multi-storey industrial projects is beginning to grow more broadly, with a number of new multi-storey projects in Metro Vancouver and similar North American markets in recent years. Some of these projects have involved a mix of uses and tenures, most commonly strata industrial space with office uses on upper floors.

Allowing for, and potentially incentivizing, the creation of multi-storey industrial space has the potential to modestly increase the supply of industrial space within the region, so long as the market conditions are sufficient to support it. It is important to recognize that such an option will be contextual within the region, as factors such as local rents, site size, industry activity, and geotechnical conditions will determine where such projects are feasible.

Other Forms of Industrial Intensification

In addition to increasing the amount of built space, there are a number of other ways to measure industrial intensity or density on the land base. These methods may not be as directly tied to land use policy, but can still accommodate increased employment and economic activity. Examples of utilization measures of industrial activity include:

- Labour activity (employees per land acre / hectare or per building sq. ft. / m²)
- Business revenue per unit (value generated per unit of land, or building floor area)
- Volume of goods produced / processed / stored per unit (per floor space, land area, employee)
- Vehicle or equipment movement per hour (trucks, loading, crane lifts)
- Quality and pay of jobs (education and pay levels)
- Value or level of equipment / technology investment (e.g. automation, racking warehouses)
- Transportation infrastructure utilization rates (goods / trips per unit)
- Building lease absorption period, vacancy rates, rental rates
- Longer hours of operation (shift work)

Industrial users are not the only ones constrained by the region's limited amount of available land, as the region's commercial, office, retail and other employment sectors also compete for space. While some of these uses are compatible with industrial activities, the market economics of these other uses may potentially undermine existing and potential industrial activity. These other employment uses typically tend to offer a higher return on investment

and higher rents on a per square foot basis, often pricing-out industrial land uses for floor space. Similarly, the rising popularity of industrial stratification, while providing the option of occupant-ownership, poses a potential disruptor to large scale industrial and trade-oriented activities, as the latter may not be able to compete with other industrial users for the remaining industrial land base.

Mixing Residential with Light Industrial Redevelopment in Specific Areas

With increasing competition for land and an overlap in regional and local land use policy objectives, some proponents are advocating for changes to zoning to allow for the development of mixed-residential uses in existing industrial areas, specifically for those in close proximity to rail rapid transit station areas. Advocates of this kind of zoning suggest that it will encourage the redevelopment of industrial space to modern standards while also addressing non-industrial policy objectives such as providing affordable housing and transit-oriented development. By mixing in higher-value residential uses, there is also the potential to cross-subsidize the redevelopment of new industrial space in an expensive urban context.

Given the conflicts that can occur between industrial and residential activities, the successful integration of these two uses is quite challenging. Generally speaking, only certain light industrial activities are compatible with sensitive residential uses in such close proximity, and even then, site design that ensures both livability and functionality for both uses can be difficult and expensive. Even with strict covenants on what uses are permitted, allowing higher value uses like residential also creates the risk of encouraging speculation on neighbouring industrial properties, and could result in the loss or displacement of the intended industrial uses over time.

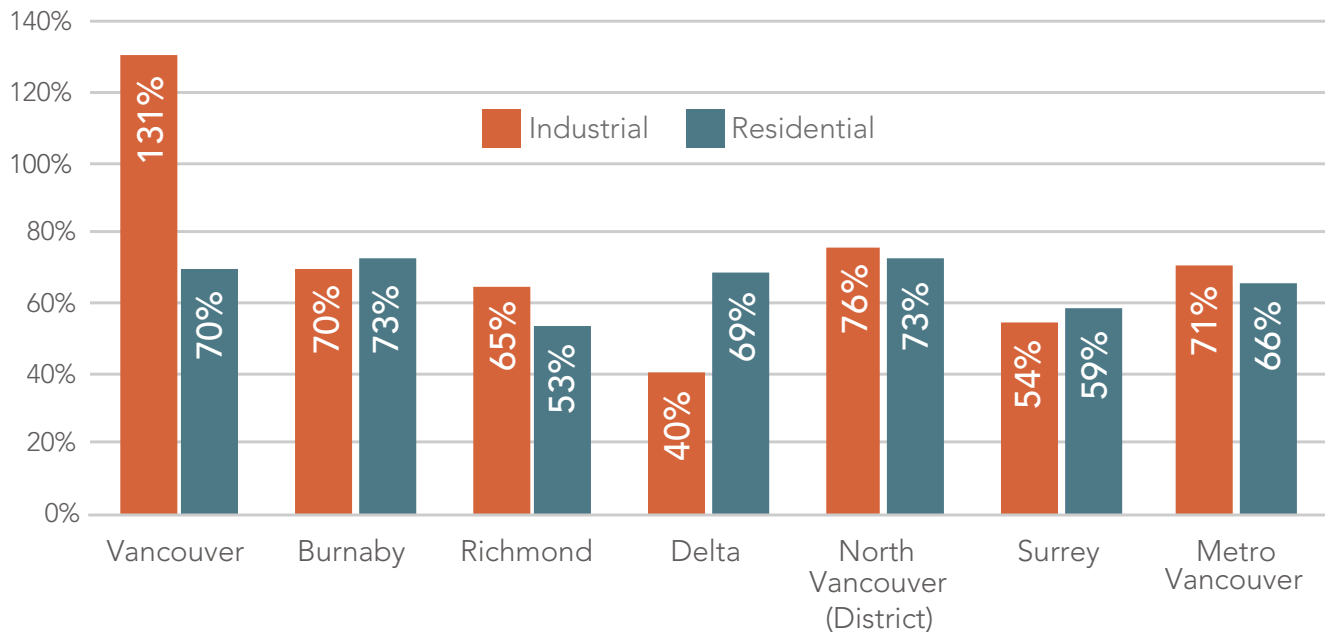
Accommodating Innovation and the Changing Nature of Work

When seeking to protect industrial lands for industrial uses, it is important to recognize that industrial activity can cover a broad range of businesses and involve the production of various types of goods. Not all industrial businesses produce goods one might otherwise associate with traditional industrial activities, such as concrete, construction goods or chemicals. As new technologies have emerged in recent decades, Metro Vancouver has benefited from the growth of numerous high-skill tech and innovation clusters. While these jobs are commonly associated with office-related employment, they also spur demand for space to accommodate the production of goods related to bio-tech, green tech, and other innovative products.

Demand for these types of spaces tends to focus on certain industrial sub-markets, most commonly found in proximity to post-secondary institutions and amenities, which in turn provide linkages to emerging high-skilled labour opportunities. These businesses often seek well-located and well-equipped facilities, which means they are often able to afford more expensive and urban industrial areas.



FIGURE 2: ASSESSMENT VALUE INCREASE, BY MUNICIPALITY, 2012-2017



SOURCE: ADAPTED FROM ANDY YAN, CITY PROGRAM, SFU, USING DATA FROM BC ASSESSMENT, 2019

Rising Land Values and the Impact of Taxation

As industrial areas continue to experience rising land values (Figure 2), this not only increases rental rates, but also taxation. Property tax in British Columbia is based on assessed land value; not just on its use as it is today, but as the ‘highest and best’ use of the land. As industrial areas begin to permit a broader mix of densities and uses, this means that the value of the land can rise sharply, in some cases well beyond the value being generated by the existing industrial users. For example, a small automotive repair business in an area that permits multi-storey office uses would be assessed as if it were a multi-storey office. In a five-year period between 2012 and 2017, the rate of industrial assessment growth outpaced residential assessment growth in the region, with the greatest impacts being observed in more urban municipalities.

This increase has the potential to put pressure on both landowners and leaseholders, as many leases are “triple net”, meaning that the leaseholder is responsible for paying rent, along with building maintenance and property tax. As land prices and the associated assessment values rise across the region, so too can the tax payment – leading to an increase in costs that many businesses, particularly smaller ones, may not be able to absorb. These rising taxes may push businesses to relocate elsewhere in the region, or shut down entirely. As a result, this also creates pressure to convert industrial land to non-industrial use.

Industrial Edges and Buffers – Tools for Mitigating Conflict

Industrial land edges and buffers are a common means to mitigate conflict between industrial and adjacent sensitive uses, such as residential. Establishing these measures helps to ensure, for example, that residents are not negatively impacted by industrial activities, while also providing industrial users with a degree of certainty that they will be able to conduct their business without disruption.

There is no single approach among Metro Vancouver member jurisdictions in how to manage the interface between industrial and sensitive uses, though there are some common elements. These include design guidelines to manage noise, odour and light, and minimum setbacks to ensure a reasonable degree of physical separation from other uses. Most commonly these are established in a municipality's Official Community Plan (OCP) or zoning bylaw, requiring on-site mitigation measures at time of site development, but may also include more broad buffers, including transitional land uses (such as light industry or office parks) or other physical separation be located in between industrial and sensitive uses.

Depending on the approach and standard required, these measures can restrict the development of some industrial uses, or may require site plan elements that add additional cost to the design.

Addressing the Interplay between Industrial and Agricultural Land Uses

In much the same fashion of how speculation for other land uses is driving up real estate prices on industrial lands, so too is speculation impacting lands designated for agricultural uses across the region. While most of these lands are subject to provincial regulation as part of the Agricultural Land Reserve (ALR), which prevents non-agricultural uses, speculation from various land

uses is raising land prices, undermining the feasibility of using these lands for their intended agricultural use and driving pressure for conversion.

While both industrial and agricultural land bases are under pressure to convert from other land uses, there is also pressure between the two. Industrial and agricultural land uses are often posited against one another, with agricultural interests advocating that agri-industrial uses be located on industrial lands, and industrial interests advocating agri-industrial uses be allowed on agricultural lands.

Currently, ALR regulations limit industrial and commercial uses from locating on industrial land, requiring that 50% of the product involved in these activities be grown / raised on site. This "50/50 rule" plays a critical role in determining what agri-industrial activities are permitted on ALR land, barring approval from the Agricultural Land Commission. Limits to infrastructure, servicing and transportation in both *Metro 2040* and ALR regulations also direct many agri-industrial uses to industrial areas instead. Given the comparatively high cost of industrial land, agri-industrial activities that qualify as farm use (or successfully apply to the Agricultural Land Commission for an exception) will usually locate on agricultural land instead. In a general sense, agri-industrial uses are not a significant component or threat to either land base. However, given the limited land supply and similarities between site profiles (large, flat sites) there is some pressure to convert agricultural lands to industrial uses, particularly in the case of sites that are considered under-performing or poorly located for their designated use.

The Importance of Transportation and Goods Movement

Metro Vancouver's network of trucking routes, highways, railways, and ports support both local serving businesses and the region's broader role as a gateway city between Canada and the world. From local deliveries, to the movement of materials and components for production, to importing and exporting goods to marketplaces beyond the region, having access to reliable and efficient methods of goods movement is an integral consideration for many industrial businesses.

Land use and transportation planning are complementary, although there are sometimes tensions between different types of uses and transportation implications. For example, large low-density industrial sites are typically cost ineffective to service via transit, whereas uses with greater densities of employees are more appropriately located by transit service. Furthermore, non-industrial uses in industrial areas can have negative traffic implications, such as increased transit demand that is difficult to efficiently serve and truck trips interaction with pedestrians. Accordingly, the following should be determined for appropriate locations for different types of industrial uses:

- Identifying industrial uses that benefit most from transit proximity (e.g. high employment density and person trips generation) and those that benefit least (e.g. low employment density, reliance on truck route access) to facilitate better alignment of use with transit service;
- Goods movement uses with higher goods movement needs should be located with access to the Major Road Network and Truck Route Network. This may in general apply to the more traditional heavy industrial uses; and

- More job intensive uses that generate significant person-trips are best located with access to the Frequent Transit Network (FTN), and likewise those uses that do not generate significant person trips are generally not the best use of land within closer proximity to the FTN.

Much as growth in the context of a finite land base is putting pressure on the region's industrial land base, so too does it put pressure on the region's transportation infrastructure network for moving goods and people. Concerns related to congestion, aging infrastructure, road safety, pollution and other externalities like the truck parking all affect the outlook for lands throughout the region. Towards this end, planning for the effective management of industrial land is intertwined with planning for the effective management of the transportation network.

A number of organizations and agencies in the region have made strides towards supporting the effective management of the transportation network, including initiatives such as:

- TransLink's Regional Goods Movement Strategy and Regional Transportation Strategy;
- The BC Ministry of Transportation and Infrastructure's innovations and improvements in commercial vehicle monitoring and emissions standards;
- The Greater Vancouver Gateway Council's work to coordinate investment on regional infrastructure projects; and
- The Greater Vancouver Urban Freight Council's work to coordinate and champion initiatives related to goods movement.

Climate Change Vulnerability

Another issue of note impacting the long-term functionality of the industrial land supply is the risk posed by climate change. Detailed climate change projections have been completed for the Metro Vancouver region, and significant work is underway to understand the impacts, including increased flood risk.

A significant portion of the region's industrial land supply, including most major port and airport facilities, are located within low-lying areas. Many of these areas would be vulnerable to major coastal flood events in the absence of considerable adaptation measures. Should sea level rise continue as projected, significant portions of the industrial land supply may no longer be considered viable for long-term development, further reducing opportunities for growth and economic resiliency. While certain measures can be engineered to adapt to this risk, including diking and improved site design, these measures may be cost prohibitive for many industrial users to implement.

In addition to responding to the impacts of a changing climate, industrial activities also have a role to play with regards reducing regional greenhouse gas (GHG) emissions. Metro Vancouver is currently developing Climate 2050, which reflect climate issues specific to the region by addressing ten key issue areas, one of which is industrial activities. Metro Vancouver's manufacturing sector (including cement production, food processing, metal fabrication, chemical manufacturing, forest products, and petroleum refining) and construction industry contribute approximately 23% of the region's total GHG emissions combined.

As part of developing Climate 2050, the region is preparing "roadmaps" for each issue area, providing a summary analysis of current conditions and challenges facing each issue area. These roadmaps will identify regional and corporate goals and actions necessary to achieve a carbon neutral, resilient region. In the case of industrial activities, this is likely to include targeted approaches to reduce emissions by encouraging or requiring switching to low carbon fuels and adopting new technologies where appropriate.



The Future of Industry and Changing Space Needs

Like many other industrial markets around the world, the region's industrial lands have undergone a long-term transition in the nature and form of their use. A steady shift away from heavy manufacturing and natural resource sectors, particularly amongst forestry-related businesses, coupled with increasing competition with other markets in an increasingly globalized economy, have changed the balance and character of the region's industrial lands. Throughout this transition, the region has evolved a diverse sectoral mix, while also retaining its role as a leading global port and economic gateway.

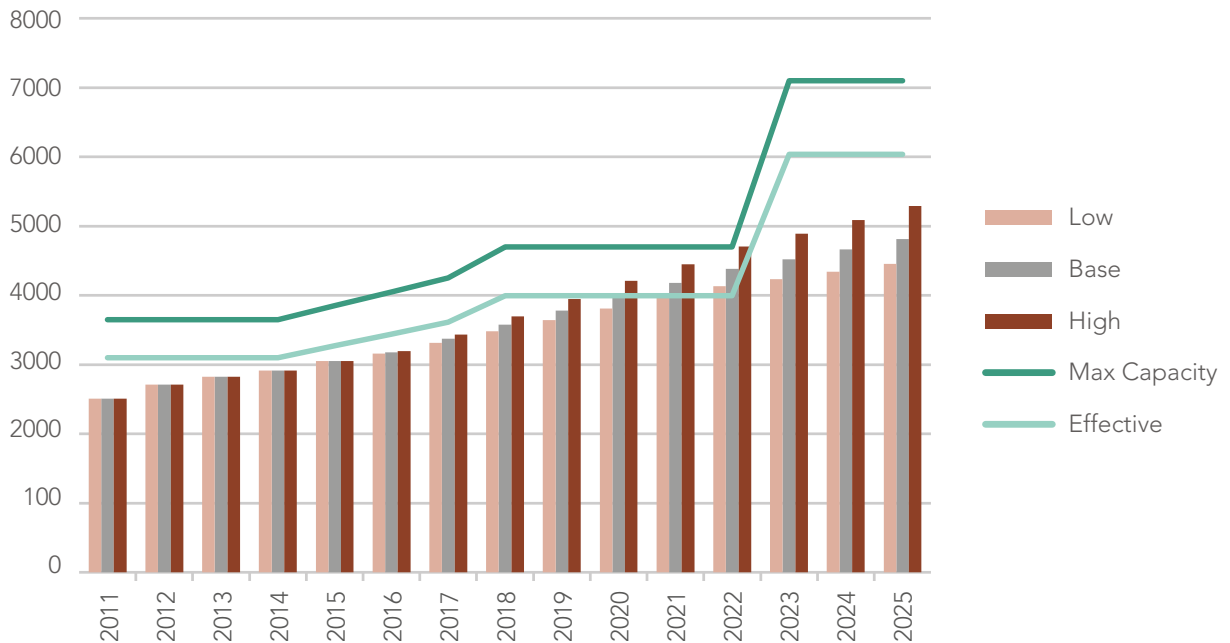
For example, locations including Granville Island, shores of False Creek, Fraser River and Burrard Inlet were once dominated by heavy industry, sawmills, large scale manufacturing, and rail operation. While a few of these uses still exist today, many industrial businesses have moved eastward or have ceased operation altogether, being replaced by predominantly commercial and residential development. In instances where employment uses have been retained, they tend to be in the form of light industrial, office and mixed commercial space.

Though some traditional waterfront-oriented industrial activities have relocated or dissipated, the core 'gateway' functions of the Port of Vancouver and Airport have continued to thrive. Continued growth in global trade have driven demand for additional space, including the need for additional container terminals, warehousing space, and logistical facilities.

In terms of growth, the Port of Vancouver has consistently outperformed other North American ports since 1990, with growth in container traffic forecasted to outpace all other ports in the Pacific Northwest for the foreseeable future. Even with the establishment of a second provincial port in Prince Rupert and improvements and expansions to local port facilities, demand is forecast to drive the need for additional port-related facilities on Metro Vancouver's industrial lands, as shown in Figure 3.

Trade-oriented uses associated with the Port and Airport represent only one part of the demand for industrial lands. Despite the changing nature of industrial activities in the region, industrial lands continue to also serve a fundamental role in facilitating city-serving activities, such as vehicle repair, food production, commercial laundry, utilities, light manufacturing and local distribution. These activities are crucial to the continued function of a range of economic activities across the region, including tourism (tour bus repair, restocking cruise ships), major office employment (printing, couriers, transit infrastructure management), and local retail businesses (food production and distribution, wholesales). At the same time, continued population growth has increased the in-region demand for goods and related services, such as e-commerce, transportation, warehousing and distribution space, particularly last mile and fulfillment centres in close proximity to major population centres.

FIGURE 3: PORT OF VANCOUVER CAPACITY AND DEMAND DEVELOPMENT TO 2025



SOURCE: CONTAINER TRAFFIC FORECAST STUDY – PORT OF VANCOUVER, 2016

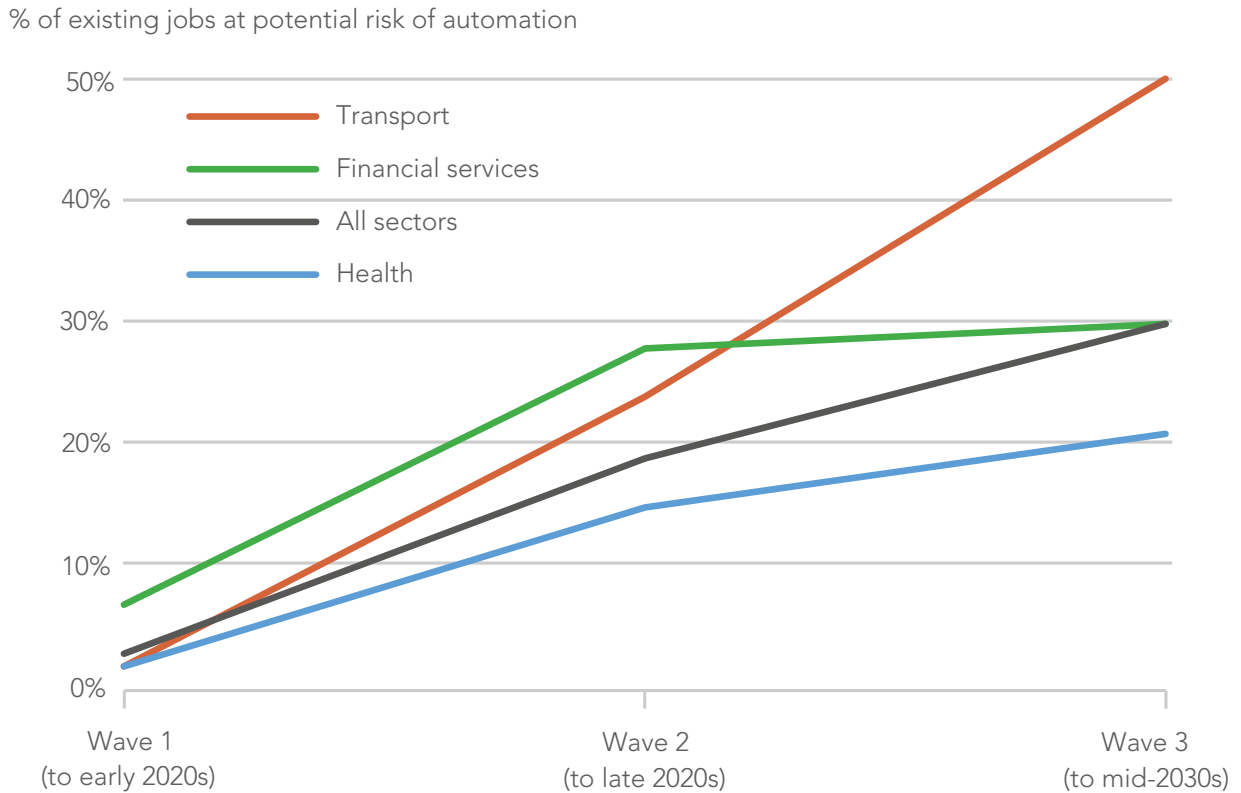
NOTE: DEMAND AND CAPACITY ARE MEASURED IN TWENTY-FOOT EQUIVALENT UNITS (TEU). DEMAND SCENARIOS PRESENT A LOW, BASE AND HIGH SCENARIO FOR EACH YEAR. THE INCREASE IN CAPACITY IN 2023 REPRESENTS THE ANTICIPATED EXPANSION OF ROBERTS BANK CONTAINER TERMINAL 2.

In addition to these city-serving functions, industrial lands are also playing a prominent role in accommodating the region’s emerging innovation economy. These businesses do not fit easily into any one classic or conventional employment sector, as the nature of their work encompasses a wide range of activities including light manufacturing, media and digital entertainment production, clean-tech and bio-tech, software and hardware design, and various other uses. The space needs of these businesses can vary, but typically require a diversity of spaces at different scales, including offices, production space, and logistical facilities, many of which are most commonly associated with industrial and employment lands.

Changing industry profiles are not the only factor resulting in different land and space needs. Technological innovations are also dramatically changing the relationship between employment, productivity, and how industrial lands are occupied and used.

Automation, which has already significantly affected the manufacturing industry, is expected to continue to change how goods are produced and tasks accomplished. With the potential advent of artificial intelligence and advanced robotics, there is a real possibility that more jobs in many more sectors could be affected by automation than ever, with 42% of the

FIGURE 4: ESTIMATED POTENTIAL JOB AUTOMATION RATES BY INDUSTRY ACROSS WAVES

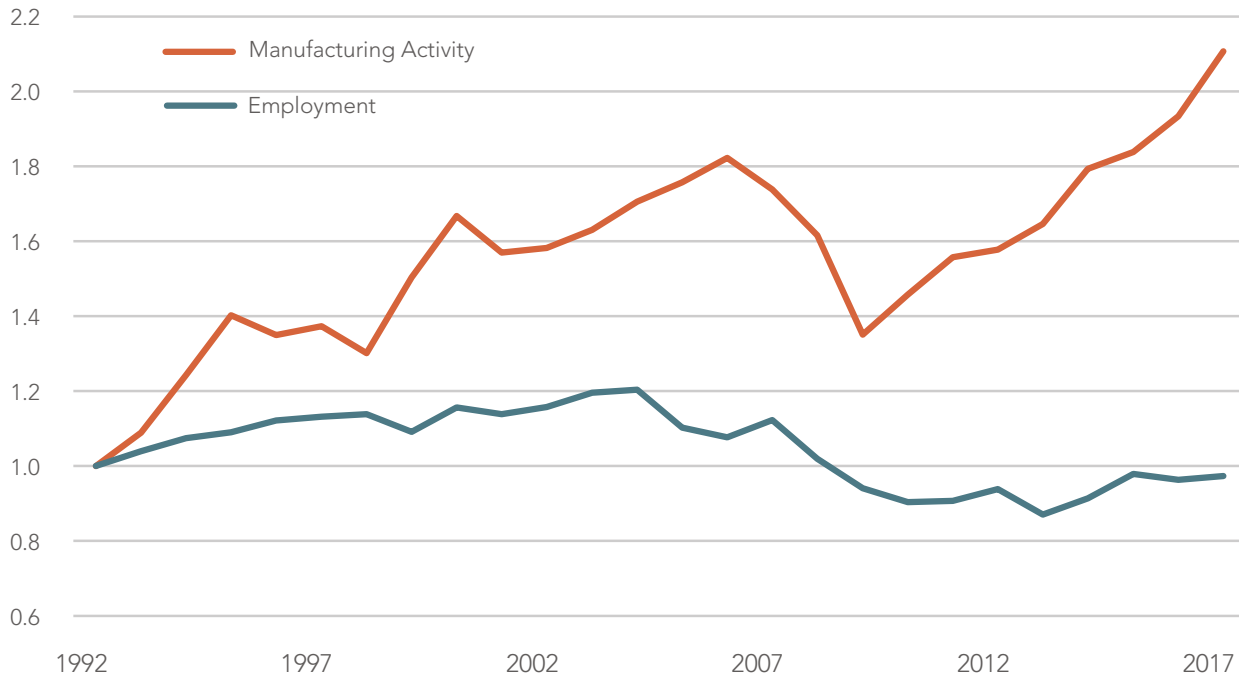


SOURCE: 'WILL ROBOTS REALLY STEAL OUR JOBS?', PWC, BASED ON OECD PIAAC DATA, 2018

Canadian labour force at high risk of being affected by automation in the next decade or two. As shown in Figure 4, artificial intelligence, advanced robotics, and automation will have a different impact on different sectors over time, with some sectors being susceptible to a significantly reduced need for labour as different waves of technological advancement occur over the next few decades.

This change has the potential to affect the demand for labour in different sectors, but it does not necessarily mean that there will be any less demand for industrial land. While automation can lead to a number of operational efficiencies, it typically still requires space to conduct the business activity (e.g. production and warehousing of goods). As shown in Figure 5, manufacturing productivity in British Columbia has continued to grow, despite declines in total manufacturing employment.

FIGURE 5: COMPARISON OF ANNUAL MANUFACTURING ACTIVITY (DOLLARS) AND EMPLOYMENT, PROVINCE OF BRITISH COLUMBIA, 1992-2017



SOURCE: HEMSON CONSULTING LTD. USING DATA FROM STATISTICS CANADA TABLES 304-0015 & 14-10-0023-01
 NOTE: FIGURES HAVE BEEN INDEXED (1992 = 1)

The separation between manufacturing activity and employment has been occurring for quite some time in North America; however, this trend began to accelerate most notably following the 2008-2009 Global Recession. While manufacturing employment has yet to recover to its pre-recession levels, manufacturing activity has continued to grow.

Over this same period (2008-2018), Metro Vancouver increased its industrial floor space by over 30 million square feet. This translates into an average growth rate of nearly 1.7% per year, significantly higher than the average annual industrial employment growth rate of 0.5% per year. While the amount of land take-up associated with this growth has declined over time (due to limited supply), suggesting denser industrial buildings are being built, the demand for space is still resulting in a net demand for land.

Industrial Land Demand Forecast to 2030 and 2050

Forecasting the longevity of the industrial land supply is a particularly challenging task in Metro Vancouver because of its unique situation as a region with a fixed land supply. While not quantifiable for the overall market, there is ample evidence that industrial development and land absorption is being limited by the availability of land for development. Some larger distribution and manufacturing facilities are already locating outside of Metro Vancouver simply because there are few large industrial sites available today or likely to be available in the future.

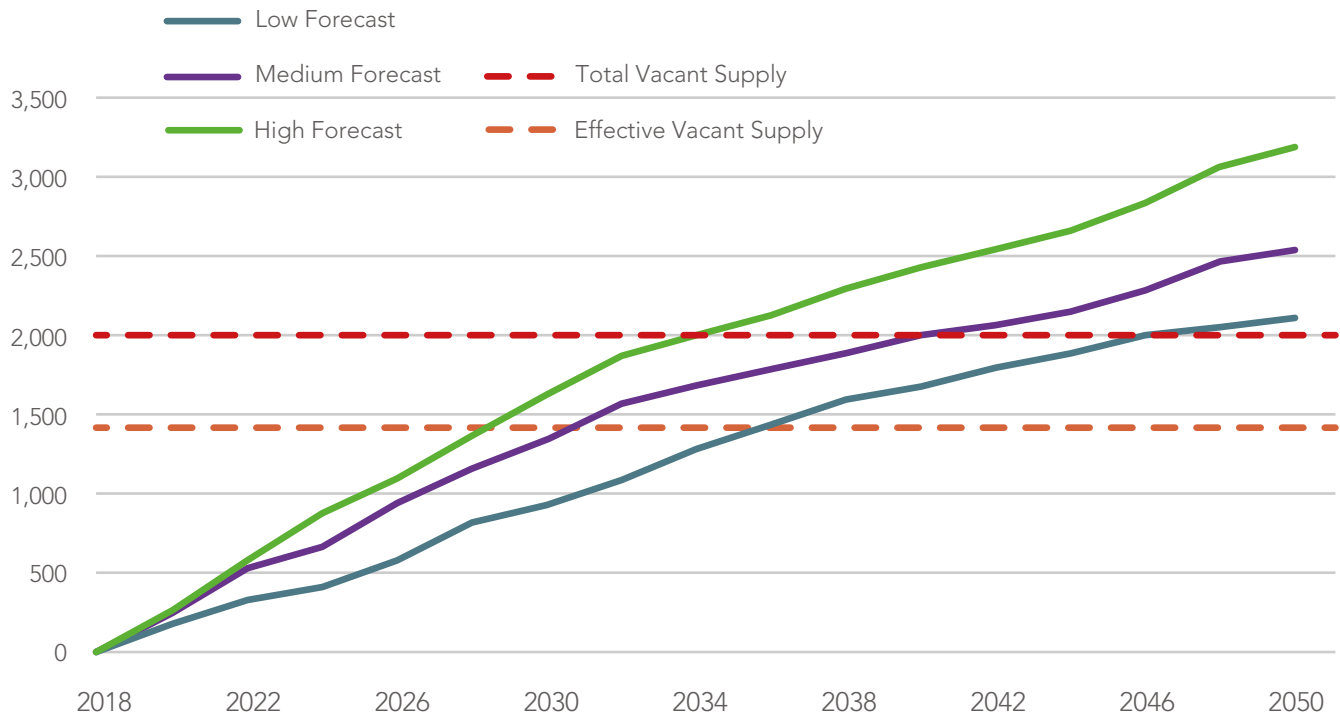
The most recently prepared forecast of regional industrial land demand used an absorption method with a range of 80 to 110 ha per year (200 to 275 acres per year). Applied to the effective supply of 1,820 ha (4,500 acres) identified in its analysis, full development would be reached between 2035 and 2045. Of course, land development does not proceed in a linear fashion until the last acre is consumed, rather it nearly always tails off because the remaining land is of limited viability. This means that there is demand that cannot be met by the available supply well before a point of build out is reached.

These unconstrained land demand forecasts are shown in Figure 6. Depending on the scenario, the region is anticipated to absorb the last of its effective supply sometime between 2028 and 2035, with the total inventory being absorbed sometime between 2035 and 2047. However, as previously noted, absorption is likely to tail off as supply dwindles. Figure 7 demonstrates what the demand and land absorption is likely to look like when factoring in the effects of a constrained land supply.

In the absence of additional land to meet the needs of continued demand, the rate of land absorption will tail off until near full development is reached. This decline in absorption will not be due to a lack of interest, but instead will be the result of businesses and jobs having relocated to markets that are more readily able to meet their needs. The combination of a constrained land supply and steady demand will keep the price of industrial land high, likely even higher than experienced today. This will be a limiting factor for some industrial activities, but will likely also force more intensive use of land where possible.

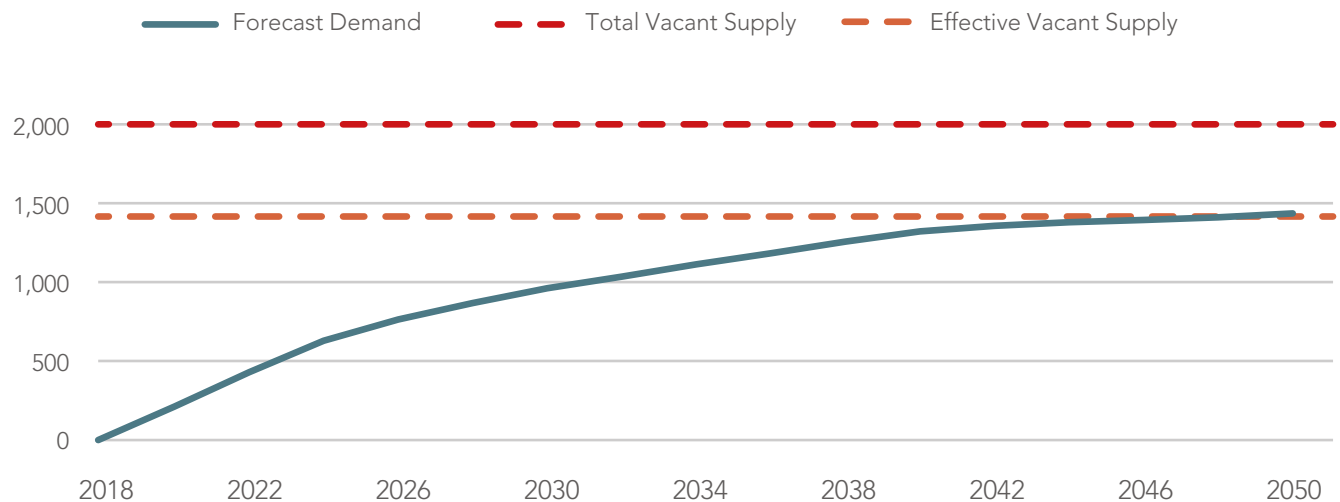


FIGURE 6: EMPLOYMENT GROWTH BASED INDUSTRIAL LAND DEMAND FORECAST, 2019 TO 2050



SOURCE: HEMSON CONSULTING LTD.

FIGURE 7: CONSTRAINT BASED FORECAST OF INDUSTRIAL LAND DEMAND, 2019 TO 2050



SOURCE: HEMSON CONSULTING LTD.

Implications for the Regional Economy

Industrial lands serve a crucial role in accommodating a diverse and resilient economy. Regions that are more economically diverse tend to experience less instability and lower unemployment rates when compared to regions with more homogeneous economies. Complex economies, that is those that feature a web of interconnected industries and business sectors, also tend to be far more resilient, experiencing less economic decline during periods of recession, and faster recoveries.

In the same regard, failing to ensure a suitable amount of industrial land could limit growth and investment, and even weaken existing sectors that rely on these lands. Even with the changing nature of work and technological innovations resulting in evolving land and space needs, industrial lands will still be necessary to ensure regional economic diversity and resiliency for the future.

The consequences of a constrained land supply are already being witnessed, with a number of large industrial businesses and activities being unable to find suitable space to locate or expand their business. For example, the Port of Vancouver has noted that, despite significant improvements to site intensification and optimization in recent years, it may be unable to accommodate future trade demand given its current land supply. As the Port approaches its capacity, it risks losing business to other ports along the western coast.

Similarly, a shortage of space for logistics terminals is seeing demand grow for inland distribution ports as far away as Calgary. These inland ports serve as staging areas for containers that are unloaded in Vancouver, transported by rail to the distribution hub to be unpacked and sorted, and then (for some of the cargo) transported back to Vancouver to be delivered to end users and points of sale. Ashcroft offers an inland terminal focused on processing exports, such as lumber in containers. In other cases, larger manufacturers are choosing to locate, or relocate, to areas with more available and affordable land south of the border, in communities such as Blaine, Washington.

The relocation of these business and trade activity could have a negative impact on the region, province and even country. For example:

- Should a business relocate to another port in the province, such as Prince Rupert, the impact might be neutral for British Columbia and Canada, but negative for the Metro Vancouver region;
- Should a business relocate to Alberta, the net impact might be neutral for Canada, but negative to the Metro Vancouver region and British Columbia; and
- Should a business relocate south of the border (such as Washington, Oregon or California), the net impact would be negative to the Metro Vancouver region, British Columbia, and Canada.

The potential impacts of losing industrial activity due to lack of available land are threefold:

- The loss of local businesses could negatively affect the economy due to the loss of potential or existing jobs and tax revenues for governments.
- The further abroad these businesses locate, the greater the distance goods must be transported, resulting in increased fuel consumption, GHG emissions, traffic congestion and cost to consumers.
- The loss of industrial activity could weaken the region's economic diversity and resiliency, potentially exposing the economy to greater fluctuations in market cycles and broader economic shifts.

It is worth noting that adding new industrial uses in Metro Vancouver could result in its own set of costs and challenges, including increased competition for land and the potential to increase traffic, business related emissions, and possible conflicts with other uses. However, on the whole, these costs and challenges are unlikely to be greater than the net loss and environmental impact that is likely to occur if these businesses relocate elsewhere.



RECOMMENDATIONS

To achieve the Regional Industrial Lands Strategy Vision, and to address the issues identified, 4 'Big Moves' have been identified.

1. Protect Remaining Industrial Lands
2. Intensify and Optimize Industrial Lands
3. Bring the Existing Land Supply to Market and Address Site Issues
4. Ensure a Coordinated Approach

These policy areas respond to the challenges, and have been used to organize the 35 recommendations.

Protect Remaining Industrial Lands

Given the ongoing and projected demand for industrial land in the region, it is imperative to protect the region's remaining industrial lands and curb the threats that undermine their use for industrial activities. This means lands for trade-oriented purposes as well as for small, local serving businesses; businesses that are responding to the changing nature of industry as well as more traditional industrial activities.

RECOMMENDATION 1:
That Metro Vancouver, in collaboration with member jurisdictions, First Nations, regional agencies, and other relevant stakeholders, conduct a comprehensive regional land use assessment.

In the context of Metro Vancouver's finite and constrained land base, there is significant pressure for competing, legitimate land uses across the region. There is an opportunity to undertake either a targeted or region-wide assessment of land use, seeking not to reflect what is already in existing policy frameworks, but rather to proactively identify the 'best' locations

for different land uses depending on a developed set of criteria (e.g. location, adjacent land uses, lot size, proximity to the goods movement network). Such an assessment could potentially identify areas where a swap of existing land uses may be reasonable, including opportunities to optimize the remaining supply of industrial land.

This assessment will identify, based on a defined set of criteria and cross-jurisdictional considerations, opportunities for more optimized locations and uses of land in order to support regional and local policy objectives and to inform policy changes.

The regional land use assessment will include:

- Metro Vancouver and member jurisdictions work with the Provincial and Federal governments, the Port of Vancouver, and Vancouver Airport Authority, to identify if industrial functions can be integrated or co-located on public industrial lands. This includes examining the potential for joint use for large non-intensive land uses such as extractive activities, public rights-of-way, and others;
- where existing designated land uses are determined to be under-utilized, Metro Vancouver, in consultation with the owners of the subject lands, the member jurisdiction in which they are located, and other relevant stakeholders, may consider the potential for swaps with other land uses. The proposed swap should be considered between lands that are identified as being under-utilized through the land use assessment, located within the same jurisdiction or elsewhere within the region, and improve the potential for the intended uses per the land use assessment criteria; and
- Metro Vancouver assess whether or not there are sufficient supplies of suitable land to reasonably accommodate retail, service or recreational uses that may be restricted from otherwise locating within Industrial areas.

During the development of the Regional Industrial Lands Strategy, the Industrial Lands Strategy Task Force and Metro Vancouver Board passed a resolution that in seeking solutions to address the shortage of industrial land in the region, encroachment onto agricultural lands not be a solution. The recommendations should be considered within that context.

RECOMMENDATION 2:

That Metro Vancouver endeavour to strengthen regional policy to protect industrial lands as part of the update to the regional growth strategy, Metro 2040.

Examples of ways to strengthen the regional growth strategy to be considered are:

- increase the voting threshold required for a minor amendment of the Industrial and / or Mixed Employment regional land use designation to General Urban;
- explore 'no net loss of land' as part of the amendment criteria for Industrial lands, recognizing the regional benefit of conversions that are offset by land-swaps in suitable locations within the municipality or elsewhere in the region;
- clarify the definitions and permitted uses on the Industrial and Mixed Employment regional land use designations, including appropriate principal and accessory uses by type and scale; and
- explore permission of mixed-use including residential on Mixed Employment lands immediately proximate to Rail Rapid Transit Stations (distance to be determined, e.g. suggest 200 metres) as long as existing industrial space is maintained or expanded and other *Metro 2040* objectives are met (e.g. affordable, rental housing).

RECOMMENDATION 3:

That Metro Vancouver, in collaboration with member jurisdictions and other regional agencies, develop a consistent definition of 'industrial' and guidelines for which primary and secondary (or ancillary) land uses should be permitted in Industrial and Mixed Employment designated areas, respectively.

Member municipalities, as part of their regional context statement updates, would commit to review and update their zoning bylaws using the guidelines as a resource to amend the permitted uses in their local industrial and employment lands.

The definition of 'industrial' in zoning bylaws and associated permitted uses (and scale of accessory uses) varies significantly across the region. Different zoning bylaws permit accessory and non-industrial uses, such as recreation, big-box retail, and places of worship, on industrially zoned lands, creating additional competition for industrial land from uses that should be located elsewhere. The bylaw review and update should remove non-industrial uses from the industrial zoning while adding new types of industrial uses, and limit the scale or size of accessory uses. Definition consistency would limit non-industrial, commercial and institutional uses in certain industrial locations across the region, and would create a clearer understanding and more consistent permissible uses while aligning with the regional growth strategy.

Protecting Trade-Oriented Lands

The following four recommendations have to do with protecting trade-oriented lands in the region. It is important to recognize that trade-oriented industrial uses (e.g. logistics, warehouses, distribution centres, transportation terminals) are a crucial part of the region's role as an economic gateway between the Asia-Pacific and the rest of the country. These uses typically have a very specific set of location and site needs, such as large, flat sites that allow for movement and storage of goods, with proximate access to highway, port, or rail infrastructure. Amongst the region's industrial land supply, sites that offer these characteristics are limited.

Because these sites also tend to offer attractive characteristics for other types of industrial (and other) uses, trade-oriented uses often compete with other industrial uses when looking to purchase and develop these lands. The low-density nature of many trade-oriented industrial uses means that they often struggle to compete, particularly when increased development densities are permitted under more broad industrial zoning. This is of particular concern when stratification of industrial is permitted, which tends to both significantly increase the price competing users can offer for the land, while also fragmenting ownership of the property, which can be an issue for operators that require large sites. To ensure these strategically located sites are protected, a coordinated approach is required between the region and member jurisdictions.

That is not to say that smaller lots and stratification do not play a critical role in the region. On the contrary, the importance of stratification is recognized in enabling small businesses to own their space, have security of tenure, and opportunity for capital appreciation. Other recommendations are focused on different types of industrial businesses.

RECOMMENDATION 4:

That Metro Vancouver conduct a collaborative process to develop a clear definition of Trade-Oriented Lands, and subsequently, as part of the *Metro 2040* update, develop a Trade-Oriented land use overlay.

A clear, consistent and collaboratively developed definition and understanding of the extent and location of these lands will support their protection as well as the protection of other types of important industrial lands. A regional overlay identified in the regional growth strategy would distinguish trade-oriented lands within the Industrial land use designation based on confirmed criteria (i.e. site size, proximity to existing and infrastructure linkages) and provide additional guidance to member jurisdictions regarding permitted land uses to protect trade-oriented industrial activities.

RECOMMENDATION 5:

That municipalities identify appropriate areas through Trade-Oriented zoning.

Subsequent to participating in the development of a consistent and collaboratively developed definition for trade-oriented lands, municipalities, through the regional context statement process, would be asked to identify trade-oriented lands within their jurisdiction, and to consider zoning that would limit or restrict non-industrial uses and the fragmentation of parcels with an aim to protecting these strategically located lands for trade-oriented activity. This would be a judiciously applied approach, recognizing the potential limits to flexibility and future use that this zoning would place on these lands.

RECOMMENDATION 6:

That the Province grant municipalities the legislative powers to define permitted forms of tenure (i.e. leasehold versus stratified freehold) on industrial land through local zoning bylaws.

Given the limited control municipalities have over tenure of non-residential land uses through zoning, the province would be requested to grant additional powers under the Local Government Act to ensure these sites are reserved for their intended use. Member jurisdictions may seek to limit stratification of ownership to a minimum size to prevent the fragmentation of large trade-oriented parcels.

RECOMMENDATION 7:

That Metro Vancouver, in consultation with member jurisdictions, explore the potential of a provincial Industrial Land Reserve for strategically located Trade-Oriented industrial lands in the Lower Mainland (Metro Vancouver and Fraser Valley Regional Districts) as a means of protecting crucial industrial lands.

This provincial designation would be intended to curtail industrial land conversions by providing clear land use permissions and restrictions. Criteria for lands in the 'Industrial Land Reserve' would be developed in collaboration with affected jurisdictions, but at a minimum, identified lands would feature large sites and access to existing and / or planned major infrastructure, such as navigable waterways, railroads, airports and highways.

(Through the development of the Strategy, the concept of a Provincial Industrial Land Reserve received mixed reviews. It is not a new idea, however, municipalities favour an approach that maintains their land use planning autonomy, while others see this approach as necessary given the ongoing conversion of industrial land in the region.)

Intensify and Optimize Industrial Lands

Given the region's constrained land base, it is critical to encourage the most efficient use of the remaining industrial land supply for all types of industrial users, to remove barriers to the intensification of industrial land, and to investigate opportunities to optimize the location of certain land uses over time. Currently multi-storey industrial buildings are rare in most North American markets because, for most uses, multi-storey space is much more expensive than single storey buildings. However, as the remaining industrial land supply is diminished, it may become feasible for more of this type of development to occur in the future. To encourage more efficient use, it would be beneficial to industrial users to be able to locate in more intensive / dense built forms not restricted by policy or regulation. In addition to removing height and density restrictions in areas that have the opportune market and physical characteristics necessary to support intensive development, municipalities may also seek to offer incentives to attract and realize this form of development in strategic locations.

RECOMMENDATION 8:

That municipalities facilitate the intensification / densification of industrial forms where possible.

Actions to support industrial intensification include:

- removing any unnecessary restrictions to density or height limits, where contextually appropriate;
- planning the space to accommodate new, smaller industrial uses when older, centrally located industrial areas densify;

- allowing mixing of industrial with other employment uses so long as the industrial component is secured as a condition of redevelopment; and
- exploring opportunities to encourage intensification in target areas (i.e. proper geotechnical conditions, access to infrastructure and transit) via incentives. These could include pre-zoning, density bonuses, financial incentives, and/or others.

RECOMMENDATION 9:

That Metro Vancouver conduct a study of the financial factors and other issues that prevent the development of multi-storey industrial spaces in various regional market areas.

The study should identify the gap between development costs and market rents or sales prices in different municipalities to assess if there are ways that Metro Vancouver and member jurisdictions could improve the feasibility of delivering higher-density industrial spaces.

RECOMMENDATION 10:

That the Province review the current approach to property tax assessment and tax rates based on the highest and best use of a property with regard to its impact on industrial businesses.

Growth in assessment values on the region’s industrial lands have risen rapidly in recent years. The associated rise in property taxes is putting increasing pressure on industrial businesses, particularly in high growth and high value urban areas where assessing property is based on the highest and best use. These costs can displace industrial users and undermine the intended use for the land. This review should identify if there are reasonable approaches to mitigate the destabilizing effect of rapidly rising assessments and taxes on industrial businesses.

Provide Greater Clarity on Agri-Industrial Uses in the Agricultural Land Reserve

While both industrial and agricultural lands are under pressure to convert to other land uses, these two types of land uses are often posited against one another, particularly as it relates to agri-industrial businesses. While there are permissions for some agri-industrial uses within the Agricultural Land Reserve, there is some uncertainty over the scope and scale of activity that can be permitted before these uses would have to relocate to industrial areas.

RECOMMENDATION 11:

That the Ministry of Agriculture, in consultation with the Agricultural Land Commission, amend legislation to define under what conditions, if any, large-scale organic waste processing facilities are permitted in the Agricultural Land Reserve.

RECOMMENDATION 12:

That the Ministry of Agriculture produce guidelines or amend legislation to: define the metrics used to measure the 50/50 rule (i.e. volume, weight, value, etc.) to facilitate consistent application; and clarify the permitted value-added infrastructure of an approved use on an agricultural parcel and define a cap on building infrastructure footprint.

Ensure Consideration of Industrial Lands in a Regional Flood Management Strategy

Climate change and the impacts of rising sea levels are likely to be one of the greatest challenges of our time, and their potential impact on the industrial land supply cannot be ignored. A significant portion of the region's industrial land supply, including most major port and airport facilities, are located within low-lying areas that are anticipated to be at risk in the face of rising sea levels and more frequent flooding events. As the Fraser Basin Council develops a flood management strategy for the region, it is critical that that industrial lands be given proper consideration to ensure the continued economic resiliency of the region, while also recognizing the cost that adaptation measures may have on industrial development in the future.

RECOMMENDATION 13:
That in developing a Regional Flood Management Strategy, the Fraser Basin Council recognize industrial lands and their economic contributions to the broader region when identifying and prioritizing measures to adapt to rising sea levels and flood events.

Bring the Existing Supply to Market & Address Site Issues

To ensure the region's remaining vacant industrial land supply gets to market, identify the local issues facing these lands and the linkages between them, and map out the necessary policy updates and strategic investments in response.

Manage Land Use Conflicts through Buffering Policies

Managing the interface between industrial uses and other sensitive land uses, particularly residential, is a significant issue when it comes to preserving the functionality of existing industrial uses, while also protecting for future economic activity. A broad range of planning tools exist that may contribute to the mitigation of potential, existing or perceived nuisances, offering varying degrees of flexibility or conversely, prescriptiveness. Member jurisdictions across Metro Vancouver incorporate a range of approaches to managing this interface. However, while there are common elements amongst these approaches, there is no single approach that meets the context and needs of each community. While there is little appetite for a "one-size-fits-all" approach to interface management, there are certain leading practices that could be formally recognized through regional guidance to encourage more effective management of industrial edges and conflict prevention.

RECOMMENDATION 14:

That Metro Vancouver, in consultation with member jurisdictions, develop guidelines for land use policies along the edge of planned or developing Industrial areas where no natural or other physical buffer already exists.

These guidelines will serve as reference for member jurisdictions on how to mitigate the potential for conflict with other sensitive uses depending on the context:

- Where the industrial area is already established, direct employment uses, including light industrial, commercial, and office, or other non-sensitive uses to the area abutting the Industrial lands to serve as a transitional land use.
- Where the industrial use is encroaching upon an established sensitive use, direct light industrial and ancillary components of the primary industrial use to the edge of the industrial area where the sensitive use is located to serve as a transitional / buffer land use.
- In cases where the abuttal of industrial and sensitive uses cannot be separated by other land uses, the guidelines should also provide direction towards:
 - Site design best practices including recommended minimum setbacks for different industrial uses, on-site migration measures such as visual screening of mechanical equipment, requirements for enclosing industrial activities, lighting fixtures, and recommended performance standards, where appropriate.
 - Mitigation requirements for residential and other sensitive uses that are encroaching upon areas of existing or planned industrial activity and associated vehicle traffic, including consideration for the potential for future intensification of industrial uses.

RECOMMENDATION 15:

That the Province enable municipalities the discretion to place a warning of anticipated nuisance effects on the title of the lands with sensitive uses that are being developed within a defined proximity of an established or planned industrial use or goods movement corridor.

The notification warning could be included in any offers of purchase and sale, notifying current and prospective owners and tenants that they are within the potential area of influence of the industrial use, and may experience adverse effects as a result.

RECOMMENDATION 16:

That municipalities consider adopting the Railway Association of Canada and Federation of Canadian Municipalities Guidelines for New Development in Proximity to Railway Operations when considering development permissions and changes of use in proximity to active railway corridors and other major goods movement corridors.

Develop Local Bring-To-Market Strategies

Certain parts of the vacant industrial land supply suffer from site-specific challenges, such as limited infrastructure support, environmental concerns, and under-sized parcels. Where vacant lands have not come to the market, municipalities may benefit from the preparation of a bring-to-market strategy. Such a strategy would identify the issues that prevent the development of undeveloped or under-developed industrial land, while providing a roadmap to achieve the municipality's economic goals for its remaining industrial lands.

RECOMMENDATION 17:

That municipalities with vacant or under-developed industrial lands prepare a bring-to-market strategy for their industrial land supply.

The strategy should address:

- assessing the strengths, weaknesses, opportunities and challenges facing the development of vacant industrial land;
- identifying opportunities to encourage reinvestment and more intensive use of existing industrial lands;
- whether municipal assembly and consolidation of fragmented parcels may be required, or is feasible, in order to bring the lands to market;
- if environmental remediation is required and if current programs are sufficient to facilitate the required degree of site remediation; and
- if local servicing and infrastructure improvements are required and can be accommodated through front-ending infrastructure investments or cost-sharing agreements.

Ensure Transportation Connectivity

The efficient movement of goods and people is critical for many industrial businesses, both local serving and trade-oriented, in terms of where they choose to locate. The maintenance and growth of a resilient and reliable transportation network, including various modes of transit, is an integral component in planning for the effective management of the region’s industrial lands. Through the development of the Strategy, transportation issues and linkages were consistently rated one of the highest priorities. As a result, seven recommendations focus on this critical issue.

RECOMMENDATION 18:

That TransLink, Metro Vancouver, the Port of Vancouver, the Vancouver Airport Authority and municipalities continue to work together to proactively designate, manage, and regularly update the Regional Truck Route Network in line with the recommendations of the Regional Goods Movement Strategy to ensure the safety and reliability of the regional goods movement network, while also considering human health implications, such as air quality and noise.

RECOMMENDATION 19:

That TransLink, as part of the update to the Regional Transportation Strategy and implementation through Investment Plans, continue to identify viable new opportunities to create and improve transit linkages between the region’s industrial areas and local workers, where such transit can operate efficiently and effectively as part of the region’s transit network.

RECOMMENDATION 20:

That the Port of Vancouver, Metro Vancouver, TransLink, the Vancouver Airport Authority, and rail line operators, work together to identify policies and actions that support the optimization and safety of goods movement to and from industrial lands via roads, highways, railways, air, and access points to navigable waterways including short sea shipping.

RECOMMENDATION 21:

That the Province work with municipalities and industry partners to understand, forecast, plan for, and mitigate the impacts of the land demands for truck traffic and parking related to goods movement and drayage.

RECOMMENDATION 22:

That the Port of Vancouver continue to work with Metro Vancouver and TransLink to optimize port-related land uses and container drayage.

RECOMMENDATION 23:

That the Greater Vancouver Gateway Council continue its efforts to attract grants and other funding, and leverage their success towards improved infrastructure linkages and capital investments that support regional and local policy goals.

RECOMMENDATION 24:

That the Greater Vancouver Urban Freight Council continue its efforts to coordinate the implementation of the Regional Goods Movement Strategy between its member organizations.

RECOMMENDATION 25:

That regional organizations and stakeholders continue to investigate and implement options designed to reduce the environmental impacts related to the transportation of goods and people in the region, through their respective plans and policies.

This includes:

- the Province’s efforts to improve standards such as the Renewable & Low Carbon Fuel Requirements Regulation and improved permitting and tracking to help reduce GHG emissions from the commercial trucking industry;
- Metro Vancouver’s efforts towards protecting and improving air quality while ensuring infrastructure, ecosystems and communities are resilient to the impacts of climate change through Climate 2050;

- the Port of Vancouver’s efforts to optimize and reduce the carbon impact of its operations;
- TransLink’s efforts to optimize goods movement and public transit options through the Regional Goods Movement Strategy and Transport 2050; and
- local municipal efforts to expand access to charging station infrastructure for electric vehicles.

Ensure a Coordinated Approach

Improved cooperation and data tracking between governments and other organizations will be necessary to ensure accurate monitoring and effective land management into the future, while also guiding future coordination and alignment in terms of policy responses to issues as they arise in Metro Vancouver and across southern British Columbia.

Improve Data and Monitoring

A challenge for the effective planning and management of industrial lands is timely access to quality data. This is true for both land management and the development of effective economic policy. However, many of the data sources available to the region are prepared infrequently, such as the Census and Industrial Lands Inventory Update, or are not fine-grained enough to provide useful guidance at the local level, such as the Labour Force Survey. Through the development of more effective data collection frameworks and sharing agreements, the region and its partners would be able to greatly improve the quality of data used to inform policy decisions. The following four recommendations are focused on data provision.

RECOMMENDATION 26:

That Metro Vancouver produce an annual report that summarizes changes to the Industrial Lands Inventory, while continuing to publish a comprehensive Regional Industrial Land Inventory every five years.

RECOMMENDATION 27:

That municipalities provide a summary report of local development activity on lands in the Metro Vancouver Industrial Lands Inventory as part of their regional Development Cost Charge reporting, once per year.

RECOMMENDATION 28:

That Metro Vancouver, in collaboration with member jurisdictions, conduct a regional employment survey on a bi-annual basis.

RECOMMENDATION 29:

That major regional industrial land users and organizations, such as the Port of Vancouver, Vancouver Airport Authority, NAIOP Commercial Real Estate Development Association and other relevant stakeholders, consider expanding data sharing partnerships for the purpose of improving economic development and infrastructure investment, guiding land use and goods movement planning, and informing the development of associated policies.

Encourage Growth and Investment through Regional Economic Coordination

Both Metro Vancouver and member jurisdictions have a shared interest in attracting new investment and supporting the retention and expansion of economic activity across the region. In the past, cooperation and collaboration between the economic development initiatives of member jurisdictions has occurred on an ad hoc basis.

Metro Vancouver's new Regional Economic Prosperity Service represents the adoption of a collaborative regional approach to attracting investment to the region. With a focus on regional collaboration to advance shared economic, livability, and sustainability goals, the new service will work closely with member jurisdictions, provincial and federal governments, and other stakeholders to attract new investment in the region - investment that will both increase the number of well-paying, high quality jobs and generate new tax revenues.

RECOMMENDATION 30:

That Metro Vancouver, in consultation with member jurisdictions, First Nations and relevant stakeholder organizations, document and promote the region's value proposition from an industrial economy perspective.

RECOMMENDATION 31:

That Metro Vancouver seek to enhance collaboration across the region to encourage economic growth and diversity, including on industrial lands.

RECOMMENDATION 32:

That Metro Vancouver assist member jurisdictions seeking to develop and update their own local bring-to-market strategies by providing data and research support in line with its mandate.

Coordinate with Neighbouring Regions

Pressures on industrial lands are not limited to Metro Vancouver. Adjacent regional districts are part of the same goods movement network and commuter-shed and they are facing similar land pressures and challenges. However, with these challenges also comes the possibility of shared opportunity. The broader economic region of southwestern British Columbia presents opportunities for collaborative planning that reaches beyond Metro Vancouver's borders, building on shared infrastructure linkages to expand upon the role as an economic gateway, while also creating new opportunities for growth.

RECOMMENDATION 33:

That the Province develop a framework for economic and land use planning coordination between neighbouring regions in the broader Southwestern BC economic region to support industrial land use and protection.

The components and benefits of the framework could include the following:

- providing a Lower Mainland-wide view for industrial land management, infrastructure investment and other economic development opportunities between Metro Vancouver and the Fraser Valley Regional District;
- identifying options to expand the Lower Mainland's economic linkages with trade-oriented and industrial uses along major highway and rail corridors in the Squamish-Lillooet Regional District, Thompson-Nicola Regional District, and Regional District of Okanagan-Similkameen; and
- identifying opportunities for short sea shipping and maritime linkages with other port facilities located on Vancouver Island and along the Georgia Strait.

RECOMMENDATION 34:

That the Metro Vancouver Regional District and the Fraser Valley Regional District develop and sign a memorandum of understanding that outlines their shared priorities regarding and commitment to the effective and efficient management, protection, and development of industrial lands within the Lower Mainland.

RECOMMENDATION 35:

That the federal government, in implementing the Port's Modernization Review, take a broader provincial perspective for ports in British Columbia, in part to alleviate land pressure in the Lower Mainland.

THE 4 'BIG MOVES' AND 10 PRIORITY ACTIONS

The challenges facing Metro Vancouver's industrial lands are complex and interconnected, and no single action or stakeholder will resolve them alone. Market forces and types of industrial activity vary significantly by sub-region, such that for example, forms of densification that may be possible in certain urban locations may not be appropriate in other locations. There are a wide range of national, regional and local serving industrial activities in the region, which have different site and location needs, and which, as a result require different policy responses. As a result, recommended actions need to balance regional objectives, while addressing local contexts – 'one size' does not fit all.

Successfully achieving the vision of the Regional Industrial Lands Strategy will require a collaborative approach and sustained effort on the part of various governing bodies and stakeholders with overlapping, yet distinct areas of business and jurisdictions in the region. Each of the identified actions will take time and resources to realize their full potential, and while some recommendations can be implemented in the near term, others may take additional time to build capacity before implementation. The key to success will be to act in partnership, setting early priorities with clearly defined roles.

From the list of 35 recommendations, a short-list of 10 priority actions is identified organized within the 4 Big Moves. These priority actions are formed, in part, by packaging together related actions in the longer list into combined shorter-term actions, to be implemented over the first few years of endorsement of the Regional Industrial Lands Strategy.

This priority list reflects the immediacy of specific pressures facing the region's industrial land supply, along with stakeholder feedback gathered through the development of the Strategy. The actions have been identified as having an optimum balance of: short term readiness, a wide level of support, a logical sequence to feed into the subsequent steps of the implementation program, and a direct relevance to inform the update of the regional growth strategy.

Due to the complexity of the issues and areas of overlapping jurisdiction among partner organizations, lead roles are identified for implementation with respect to the core mandates of each partner (see Appendix 1).

Together, these priority actions will work to ensure the region's industrial lands continue to provide an attractive and viable location for industrial businesses to locate, grow and prosper, while supporting the broader regional economy and community. Implementation is expected to be an iterative and ongoing process that will need to be monitored and adapted over time. As recommendations are implemented, new issues will emerge and new priorities may need to be adjusted and the roles of partner organizations may need to be reshuffled. As new challenges arise and new information becomes available, new actions will inevitably need to be identified and prioritized, which may augment or replace other short-listed recommendations.

The 4 Big Moves:

- Protect Remaining Industrial Lands
- Intensify and Optimize Industrial Lands
- Bring the Existing Land Supply to Market & Address Site Issues
- Ensure a Coordinated Approach

Big Move 1 - Protect Remaining Industrial Lands

Given the ongoing and projected demand for industrial land in the region, it is imperative to protect the region's remaining industrial lands and curb the threats that undermine their use for industrial activities. This means lands for trade-oriented purposes as well as for small, local serving businesses; businesses that are responding to the changing nature of industry as well as more traditional industrial activities. The priority actions for this Big Move are:

- 1. Define Trade-Oriented Lands:** Trade-oriented lands are large sites associated with the transportation of goods to and through the region, such as by rail and the port, which serve a national function and are crucial to the region's economy, warranting additional attention and possible protection. A clear, consistent and collaboratively developed definition and understanding of the extent and location of these important lands will support their protection. Metro Vancouver will work with member jurisdictions to establish a definition for trade-oriented lands. (Subsequent actions identified in the 35 recommendations include consideration of a regional trade-oriented land use overlay in the regional growth strategy and municipal consideration of trade-oriented zoning.)
- 2. Undertake a Regional Land Use Assessment:** Given Metro Vancouver's constrained land base, there is significant pressure for competing, legitimate land uses across the region. Metro Vancouver will undertake a targeted or region-wide assessment of land use, looking at and beyond the existing policy framework to proactively identify the 'best' locations for different land uses based on a collaboratively developed set of criteria.
- 3. Strengthen Regional Policy:** Through the update to the regional growth strategy, Metro Vancouver will explore implementation changes, such as a consistent definition for Industrial, higher voting thresholds to amend the regional Industrial land use designation, and exploration of 'no net loss' as part of the amendment criteria.
- 4. Seek Greater Consistency in Local Government Zoning Definitions and Permitted Uses:** Metro Vancouver will, in collaboration with member jurisdictions and other regional agencies, develop a consistent definition of 'industrial' and guidelines for permitted uses. Member jurisdictions, through regional context statement updates, will review and update their zoning bylaws using the established guidelines.



Big Move 2 - Intensify and Optimize Industrial Lands

Given the region's constrained land base, it is critical to encourage the most efficient use of the remaining land supply for all types of industrial users, to remove barriers to the intensification of industrial land, and investigate opportunities to optimize the location of certain land uses over time. The priority action for this Big Move is:

5. Facilitate the Intensification / Densification of Industrial Forms Where Possible: Municipalities will review and remove unnecessary restrictions to density or height limits where appropriate; plan space to accommodate new, smaller industrial uses when older, centrally located industrial areas densify; allow mixing of industrial with other employment uses so long as the industrial component is secured as a condition of redevelopment; and explore opportunities to

encourage intensification / densification in target areas. Metro Vancouver will explore allowing mixed-use with residential on Mixed Employment lands immediately proximate to Rail Rapid Transit Stations (distance to be determined, but suggest 200 metres) as long as existing industrial space is maintained or expanded and other *Metro 2040* objectives are met (e.g. affordable, rental housing).



Big Move 3 - Bring the Existing Land Supply to Market & Address Site Issues

Certain parts of the vacant industrial land supply suffer from site-specific challenges, such as limited infrastructure support, environmental concerns, and under-sized parcels. Where vacant lands have not come to the market, local municipalities may benefit from the preparation of a bring-to-market strategy. Such a strategy would identify the issues that have prevented the development of the undeveloped or under-developed industrial land, while providing a roadmap to achieve the municipality's economic goals for its remaining industrial lands. The priority actions for this Big Move are:

6. **Prepare Bring-to-Market Strategies for Vacant or Under-developed Industrial Lands:** Municipalities with vacant or under-developed industrial lands will prepare a bring-to-market strategy for their industrial land that addresses strengths, weaknesses, opportunities and challenges, to encourage reinvestment and more intensive use, considers municipal assembly and consolidation of fragmented parcels, whether environmental remediation is required and if local servicing and infrastructure improvements are required and can be accommodated through front-ending infrastructure investment agreements.

7. **Ensure Transportation Connectivity:** The efficient movement of goods and people is critical for many industrial businesses, both local serving and trade-oriented, in terms of where they choose to locate. The maintenance and growth of a resilient and reliable transportation network, including various modes of transit, is an integral component in planning for the effective management of the region's industrial lands. TransLink, Metro Vancouver, the Port, the Airport and municipalities will continue to work together to coordinate investment in the transportation network, implement the Regional Goods Movement Strategy, enhance the regional truck route network, support efficient container drayage and provide transit for industrial workers.



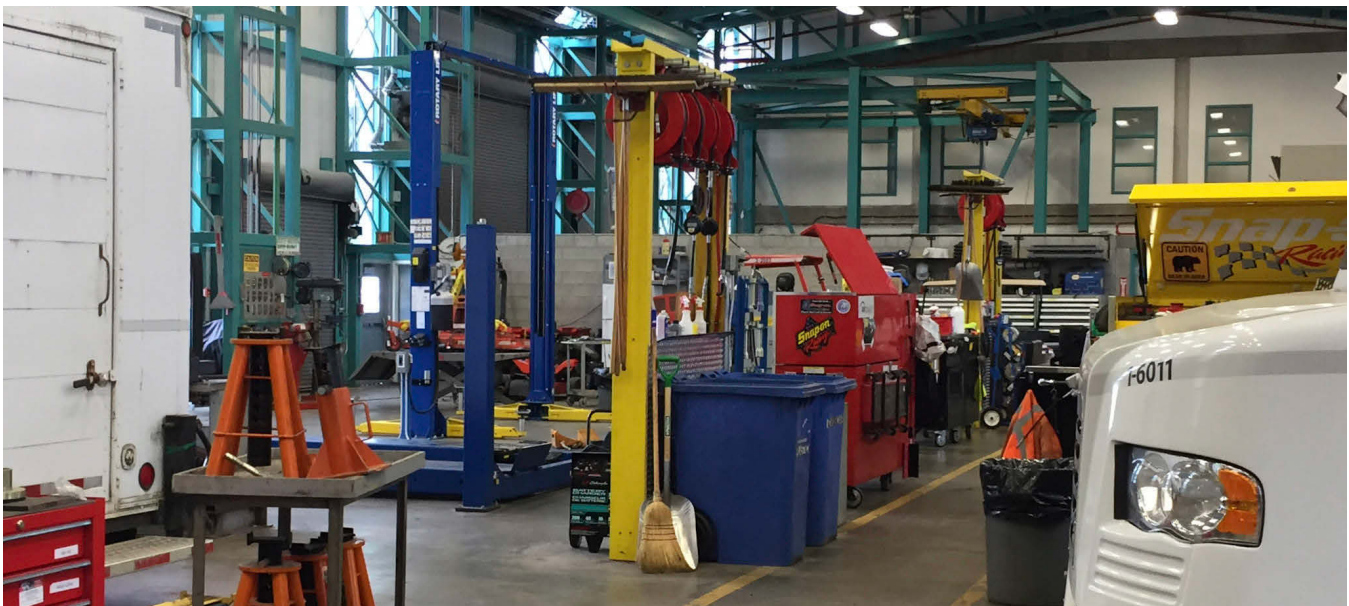
Big Move 4 - Ensure a Coordinated Approach

Improved cooperation and data tracking among governments and other agencies and organizations is necessary to ensure effective land management and accurate monitoring into the future. Coordination also guides future alignment of policy responses to issues as they arise across Metro Vancouver and south-western British Columbia. The priority actions for this Big Move are:

8. Coordinate Strategies for Economic Growth and Investment: Metro Vancouver and member jurisdictions have a shared interest in attracting new investment and supporting economic and employment activities across the region. Many municipalities have an economic development office or department that work to retain and support the expansion of local businesses. Metro Vancouver's new Regional Economic Prosperity Service provides the opportunity for a regional approach to economic development that will amplify and complement the work of member jurisdictions

9. Improve Data and Monitoring: Timely access to quality data is critical for land management and the development of effective economic policy. Metro Vancouver will update the Regional Industrial Lands Inventory to have a better understanding of the current land uses and supply, and complete a Regional Employment Survey.

10. Develop a Framework for Coordination: Pressures on industrial lands are not limited to Metro Vancouver. Adjacent regional districts are part of the same goods movement network and commuter-shed and they are facing similar land pressures and challenges. The Province will work collaboratively with Metro Vancouver, TransLink, and municipalities on cross-boundary economic and land use planning matters and will develop a framework for economic and land use planning coordination between neighbouring regions in the broader Southwestern BC economic region to support industrial land use and protection. For example, Metro Vancouver will seek to sign a memorandum of understanding with the Fraser Valley Regional District outlining shared priorities regarding the effective and efficient management, protection, and development of industrial lands within the Lower Mainland.



APPENDIX 1 – REGIONAL INDUSTRIAL LANDS STAKEHOLDERS

Many different agencies and organizations play a key role in the management, development, and use of industrial lands in the Metro Vancouver region. Each actor has a different role, different responsibilities, and different authority over the rules, guidelines and decision making as it relates to industrial land and its use.

	ORGANIZATION	PURPOSE/MANDATE	ROLES AND RESPONSIBILITIES RELATED TO INDUSTRIAL LANDS
LOCAL	Member Jurisdictions (21 municipalities, 1 Treaty First Nation, 1 Electoral Area)	Represent the interests and respond to the different needs and changing circumstances of their communities, residents and businesses	<ul style="list-style-type: none"> Designates permitted land uses and regulates the density and form of development through local zoning by-laws, neighbourhood plans, and Official Community Plans Builds and maintains streets, sidewalks, and local infrastructure Regulates traffic, use of streets (including on-street parking) and the size and weight of vehicles that are permitted to travel on municipal streets Sets municipal property tax rates for industrial and commercial uses
REGIONAL	Metro Vancouver	Delivers regional services, policy and political leadership on behalf of 23 member jurisdictions	<ul style="list-style-type: none"> Supports coordinated land use planning around common framework for regional growth management Communicates value of industrial land uses and improved regional transportation network, including efficient goods movement, as components of broader economic ecosystem
	TransLink: South Coast British Columbia Transportation Authority (SCBCTA)	<p>Transportation authority for Metro Vancouver region</p> <p>Mandate to provide a regional transportation system that moves people and goods and supports the regional growth strategy and regional and provincial environmental and economic objectives</p>	<ul style="list-style-type: none"> Operates integrated regional transit system Owns and operates 5 bridges Together with municipalities, co-funds and co-manages the Major Road Network (MRN) Leads and facilitates regional goods movement research and planning

	ORGANIZATION	PURPOSE/MANDATE	ROLES AND RESPONSIBILITIES RELATED TO INDUSTRIAL LANDS
PROVINCIAL	Government of British Columbia	<p>Authority to create local governments and their governing legislation</p> <p>Authority over Provincial Highways, roads and other infrastructure</p> <p>Coordinates high level economic development issues of provincial interest</p> <p>Authority to identify and legislate use for specific lands (i.e. Agricultural Land Reserve)</p>	<ul style="list-style-type: none"> • Provincial legislation, such as the Local Government Act • Provincial transportation planning and policy • Administers a number of acts related to transportation and goods movement, including the Motor Vehicle Act and the Commercial Transport Act • Highway construction and maintenance • Commercial vehicle safety and enforcement • Port and airport development • Infrastructure grants • Major capital project management • Provincial emergency management
	Agricultural Land Commission	<p>Preservation of agricultural land</p> <p>Encourage local governments, First Nations, and others to enable and accommodate farm use of agricultural land and uses compatible with agriculture in their plans, by-laws and policies</p>	<ul style="list-style-type: none"> • Sets regulations for determining which business activities are permitted within the Agricultural Land Reserve • Determines the scope and scale at which agri-industrial businesses are allowed to locate within the ALR before having to relocate to industrial lands in the urban containment boundary
FEDERAL	Government of Canada	<p>Promotes safe, secure, efficient and environmentally-responsible transportation and trade-oriented land uses in Canada</p>	<ul style="list-style-type: none"> • Administers a number of Acts related to transportation, including vehicle requirements on new equipment pursuant to the Canada Motor Vehicle Safety Standards (CMVSS), engine emission standards, and rail safety standards • Provides funding to help improve major infrastructure systems, including Asia Pacific Gateway initiatives • Works with its portfolio partners, other government departments and jurisdictions and industry to ensure that trade-related networks and transportation systems work well • 18 Port authorities fall under the federal portfolio across Canada

	ORGANIZATION	PURPOSE/MANDATE	ROLES AND RESPONSIBILITIES RELATED TO INDUSTRIAL LANDS
FEDERAL	Port of Vancouver	Responsible for the stewardship of federal port lands in and around the region	<ul style="list-style-type: none"> Oversees transportation operation in collaboration with terminal operators, railroads and shippers to ensure efficient goods movement on port lands and waters Acquires and develops lands to support current and anticipated port-related operations
	Vancouver Airport Authority	Oversees Vancouver International Airport's operations	<ul style="list-style-type: none"> Develops and maintains airport infrastructure and oversees day-to-day operations at Vancouver International Airport Plays active role in the development and growth of air cargo and the Asia Pacific Gateway
NON-PROFIT INDUSTRY AND BUSINESS ASSOCIATIONS	Greater Vancouver Gateway Council	Collaborate to establish a globally competitive Pacific Gateway in trade and travel between North America and the Asia Pacific economies	<ul style="list-style-type: none"> Advocates for members' interests Conducts and publish research studies Provides economic impact data Supports and coordinate application for infrastructure grants
	Greater Vancouver Urban Freight Council	Champion the implementation of the priority actions identified in the Regional Goods Movement Strategy (RGMS)	<ul style="list-style-type: none"> Advocates for members' interests Coordinates the implementation of policy recommendations related to goods movement in the region Monitors and assesses the progress of RGMS implementation Periodically reviews current priorities against the region's evolving goods movement needs
	BC Trucking Association (BCTA)	Province-wide, non-partisan, non-profit motor carrier association formed to advance the interests of British Columbia motor carriers and associated industrial land owners	<ul style="list-style-type: none"> Promotes prosperous, safe, efficient and responsible commercial road transportation industry Conducts research Advocates for member interests

	ORGANIZATION	PURPOSE/MANDATE	ROLES AND RESPONSIBILITIES RELATED TO INDUSTRIAL LANDS
NON-PROFIT INDUSTRY AND BUSINESS ASSOCIATIONS	NAIOP Commercial Real Estate Development Association	Non-partisan, non-profit business association formed to advance the interest of commercial land users, developers and real estate industry	<ul style="list-style-type: none"> • Conducts research • Provides education on commercial and industrial development and real estate related issues • Advocates for member interests
	Boards of Trade and Chambers of Commerce	Non-partisan, non-profit business associations formed to advance the interest of their members	<ul style="list-style-type: none"> • Conducts research • Advocates for member interests
	Fraser Basin Council	A charitable non-profit society committed to advancing sustainability in the Fraser Basin and across British Columbia	<ul style="list-style-type: none"> • Conducts and publishes research related to environmental and economic sustainability • Preparation of BC Regional Adaptation Collaborative to strengthen regional capacity and increase action to advance adaption planning and implementation related to climate change impacts, including coastal flooding
PRIVATE SECTOR	Railways	Delivers returns on investments by providing fast and reliable transportation for rail and intermodal customers	<ul style="list-style-type: none"> • Provides rail and intermodal services to customers consistent with federal Rail Transportation Acts • Coordinates with local governments on adjacent land use and road networks
	Goods Movers	Deliver returns on investments by providing fast and reliable transportation for their customers	<ul style="list-style-type: none"> • Provides road delivery services to customers consistent with federal, provincial and municipal regulations
	Business	Deliver a return on investment for shareholders or owners	<ul style="list-style-type: none"> • Consumes and produces goods an services to support customers and other businesses • Makes locational, transportation, investment, real estate, and scheduling decisions to advance business operations

APPENDIX 2 – INDUSTRIAL MARKET CONDITIONS

Industrial land values and lease rates across Metro Vancouver have increased significantly between 2014 and 2019. These changes reflect the scarcity of large, vacant, developable industrial land parcels, speculation that densities will increase on industrial lands, increased competition from other uses, or outright conversion to non-industrial uses.

METRO VANCOUVER INDUSTRIAL LAND VALUES AND LEASE RATES, 2014, 2017, 2019

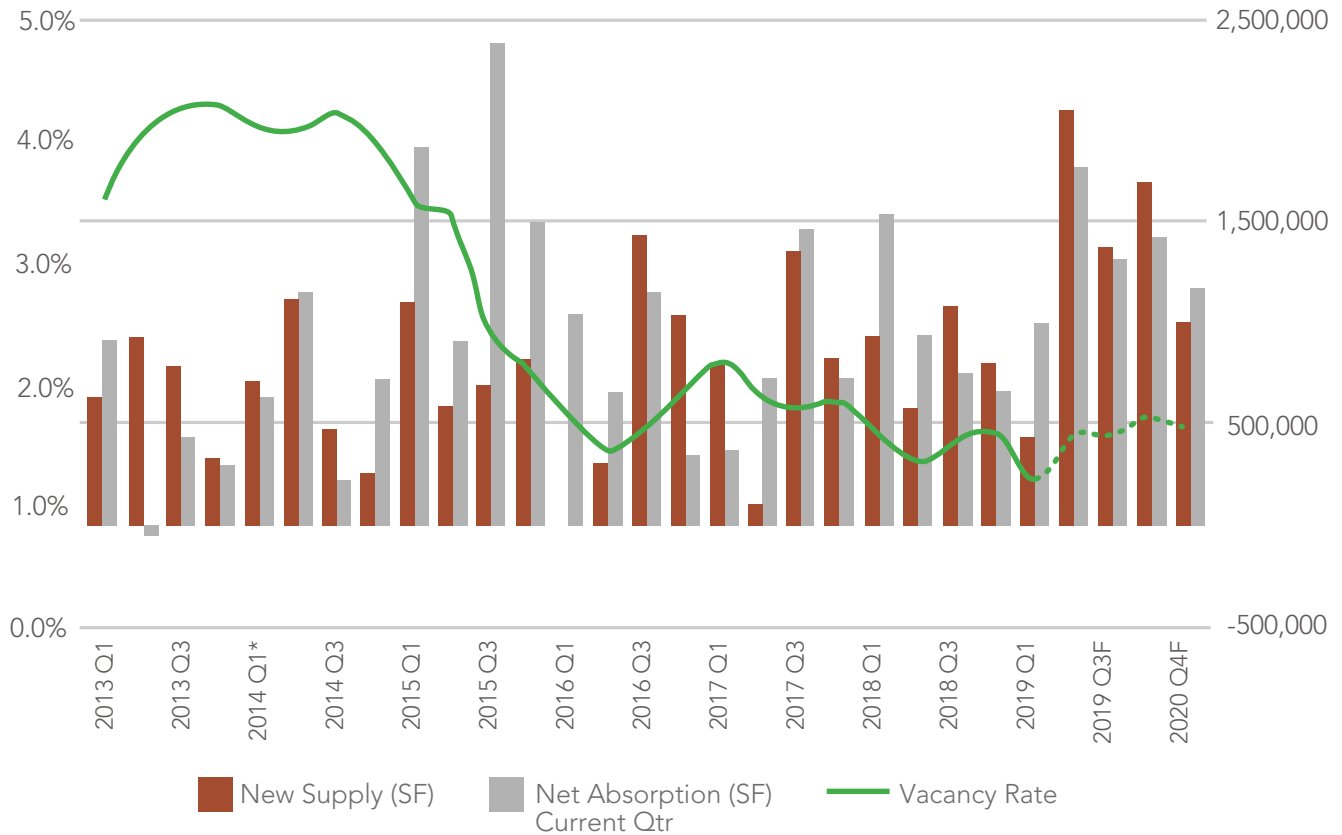
	LATE 2014	LATE 2017	EARLY 2019
Average Vacant Industrial Land Value (\$million/acre)	\$1.1 million to \$1.6 million	\$1.9 million to \$3.0 million	\$2.0 million to \$4.0 million
Average Rental Rate for Industrial Space (\$/net square foot per year)	\$8	\$10	\$12

SOURCE: ADAPTED FROM THE CHANGING NATURE OF INDUSTRY AND INDUSTRIAL DEMAND IN METRO VANCOUVER: DISCUSSION PAPER, SECTION 4.7, 2019

NOTE: FIGURES REPRESENT AVERAGE VALUES FOR THE REGION AS COMPILED BY MAJOR BROKERAGES. INDUSTRIAL TRANSACTIONS IN SPECIFIC SUB-MARKETS MAY BE GREATER OR LESS THAN RANGE SHOWN.

These land price and lease rate increases are the result of changing dynamics between the supply and demand of industrial land and space availability. In the case of Metro Vancouver, demand and competition for these lands has

METRO VANCOUVER INDUSTRIAL MARKET ABSORPTION TRENDS AND FORECAST, 2013-2020



SOURCE: COLLIERS INTERNATIONAL, METRO VANCOUVER INDUSTRIAL MARKET: Q1 2019

been steadily increasing, while the supply of available industrial land has declined. Demand for industrial space has far outpaced how quickly developers have been able to bring new buildings to the market, resulting in a regional vacancy rate that has averaged below 2% for the past 4 years.

The industrial market has remained extremely tight over this period, with the lack of supply and strong demand putting upward pressure on lease rates and land values.

APPENDIX 3 – INDUSTRIAL LANDS INVENTORY AND ABSORPTION

The preliminary update to Metro Vancouver’s 2015 Industrial Lands Inventory indicates significant absorption of lands since 2015, including many of the last remaining larger well-configured sites. While the remaining supply of about 1,050 hectares (2,600 acres) of truly vacant land and another 750 ha (1,860 acres) of non-industrial land uses that may eventually be developed for industrial, may seem significant, much of it is lands that are difficult to develop, fragmented and require assembly to bring to market, otherwise encumbered or whose owners are disinterested in development. As more of the unencumbered available sites are developed, an increasing proportion of that supply will be the more “difficult” or unavailable sites.

Typically, full development of an industrial land supply is about a remaining 5% long-term land vacancy or 95% development; in Metro Vancouver’s case the long-term vacancy would be about 570 ha of an 11,330 ha developed and vacant supply. Assuming there is no future conversion of industrial land to non-industrial uses, the effective available supply for future development would be about 1,430 ha.

The constrained land supply in Metro Vancouver means that there are two perspectives that can be taken to the demand forecast:

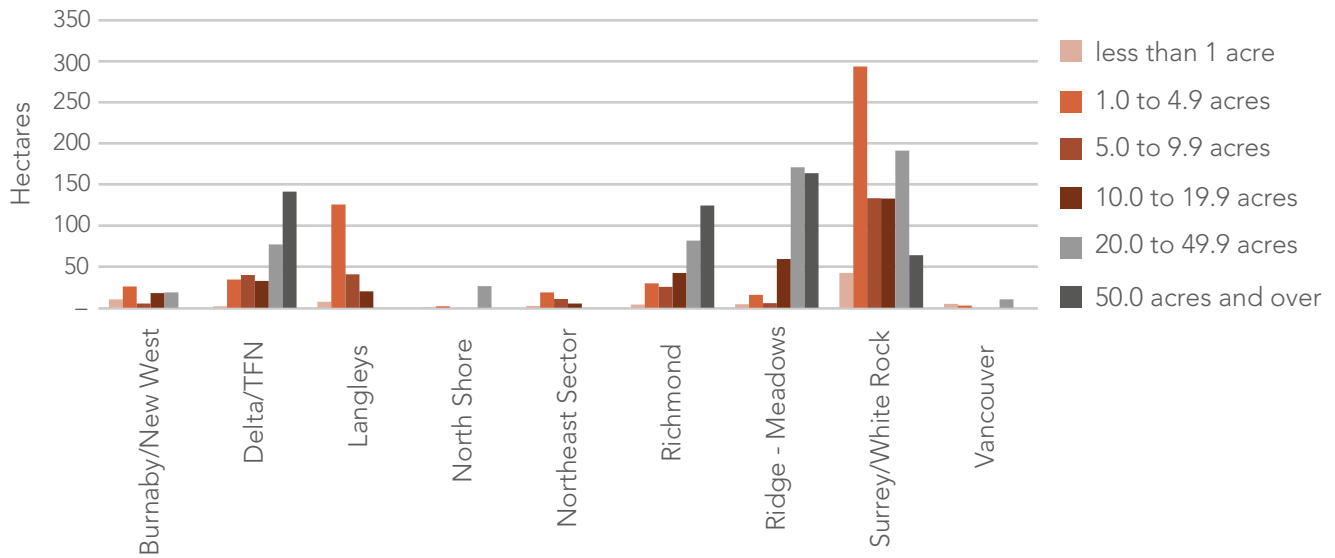
- What would the land demand be if there were no significant supply constraints in the region?
- Given the supply constraints, what is the demand for land that can be satisfied in the market and when will the available long-term supply near 95% full development?

There are two primary ways of forecasting land demand, both of which are appropriate ways to forecast and each can be used as a check on the other approach:

- The absorption method looks at the recent history of land absorption and projects the absorption forward for the forecast period. Adjustments to the forecast rate of absorption, up or down, are made to reflect expectations for a changing proportion of economic activity occurring on industrial land and higher or lower levels of overall growth expected, compared to the past.
- The employment-based method starts with a forecast of total employment and the relative growth by economic sector. The proportion of growth within sectors that may be accommodated on industrial lands provides an employment forecast for industrial areas. Applying an anticipated floor space per worker (in m² per employee) or an employment density (in employees per net ha) provides building space and land areas.

For large sites (15+ ha) that point has already been reached in Metro Vancouver. To meet the demand forecast to 2050, an additional 800 to 1,600 ha (2,000 to 4,000 acres) would need to be added to current vacant land inventory.

VACANT LANDS BY SITE SIZE AND SUB-REGION, METRO VANCOUVER, 2015



SOURCE: METRO VANCOUVER 2015 INDUSTRIAL LANDS INVENTORY: TECHNICAL REPORT

As part of the Regional Industrial Lands Strategy work, Hemson Consulting looked at industrial land demand from an employment growth perspective. The forecast is based on a low, medium and high range of Metro Vancouver employment growth from the current base. Following a long-standing pattern of economic change, a continued shift in the employment base of Metro Vancouver away from those sectors occupying industrial land towards service sector uses is assumed to continue. Under this assumption, 20% of the region's job growth would be accommodated on industrial

lands through forecast period to 2050 (from 27% of total regional employment in the 2016 base year), with approximately 5% occurring within already developed industrial lands via intensification. Assuming an employment density of 35 jobs per net ha, the resulting industrial land demand to accommodate this growth would be 70 to 100 ha per year (175 to 250 acres per year). Similarly, an additional 650 to 1,550 ha (1,600 to 3,800 acres) of land on top of existing supply would be a reasonable estimate of the lands needed to satisfy this demand.



NOVEMBER 2019 DRAFT STRATEGY – 10 PRIORITY ACTIONS

1. Strengthen regional policy in the Regional Growth Strategy by increasing the minor amendment voting threshold for Industrial and other requirements.
2. Strive for zoning consistency for industrial land by developing a consistent definition of industrial and guidelines for permitted uses.
3. Recognize and protect trade-enabling lands in strategic locations through specific land use designations and increased direction for permitted uses.
4. Conduct a Regional Land Use Assessment.
5. Encourage intensification of industrial uses in appropriate locations by removing unnecessary restrictions on increased development heights and densities and explore opportunities to incentivize such developments, as informed by regional guidelines.
6. Develop 'bring-to-market' strategies for remaining areas of vacant land to proactively identify and address issues preventing sites from being developed.
7. Coordinate strategies encouraging local economic growth, local business expansion, and attraction of investment across Metro Vancouver.
8. Ensure transportation connectivity among the region's industrial areas by working together to proactively designate, manage and coordinate investment related to the region's goods movement network.
9. Establish a broader framework for economic and land use planning collaboration between Metro Vancouver, neighbouring regions, and port facilities to support industrial land protection.
10. Develop and conduct a regional employment survey on a bi-annual basis to provide a better method of tracking changes in employment growth, land use, and built space over time.

SUMMARY OF STAKEHOLDER COMMENTS RECEIVED DURING FINAL ROUND OF ENGAGEMENT

Metro Vancouver Council of Councils

At the Council of Councils meeting on February 22, 2020, there was a dedicated engagement session about the draft Regional Industrial Lands Strategy. The presentation comprised an overview of the Strategy, including the purpose for it and objectives, and profile of the 10 priority action items. The session also included interactive voting, with the following results:

- Participants noted the most urgent / important of the 10 priority actions were 'Transportation Connectivity' and 'Industrial Intensification'
- The greatest level of support for implementing actions with municipal roles were 'Encourage Industrial Intensification' and 'Conduct a Regional Land Use Assessment'
- Attendees were asked how they expected their respective council would engage with the Strategy. 47% of respondents noted they would 'Endorse the Strategy and Approve Municipal Actions'; 35% noted they would 'Endorse the Strategy in Principle', and 18% noted they would 'Receive the Strategy for Information'
- Foreseen implementation challenges – 'Land Supply' and 'Conversion'
- Foreseen implementation opportunities – 'Employment' and 'Transportation'

Metro Vancouver Regional Administrators Advisory Committee

Staff presented the draft Regional Industrial Lands Strategy to the Regional Administrators Advisory Committee (RAAC), comprising municipal City Managers. At the meeting, RAAC members requested that staff ensure robust municipal involvement with Metro Vancouver on three of the Strategy's priority actions: municipal consistency for zoning definitions and permitted uses; the encouragement of industrial land intensification informed by regional guidelines; and the development of a framework for economic and land use planning coordination.

Fraser Valley Regional District

The Fraser Valley Regional District (FVRD) Board received for information the draft Regional Industrial Lands Strategy. The FVRD requested Metro Vancouver to engage with them on the recommendations that may directly impact the FVRD or its member municipalities. Particularly noted points related to: concerns about the proposed concept of establishing a provincial Industrial Land Reserve, a desire for more information about a possible framework for economic and land use planning coordination between neighbouring regions and a possible memorandum of understanding to implement shared priorities.

The specific statement about the Industrial Land Reserve from the FVRD was as follows:

Introducing an Industrial Land Reserve could have significant implications for FVRD municipalities and electoral areas. While there is value in preserving industrial lands, adding an Industrial Land Reserve would add a layer of bureaucracy to the planning approval process for development applications on industrial lands. As the FVRD Regional Growth Strategy (RGS) does not regulate land use beyond the identification of Urban Growth Boundaries, Metro Vancouver must engage FVRD municipalities on matters pertaining to land use within their respective jurisdictions.

City of Delta

City of Delta council passed a resolution in support of the draft Regional Industrial Lands Strategy. Concern, however, was noted with regards to establishing an Industrial Land Reserve for strategically located trade-oriented industrial lands. Specifically, that having another level of regulation for industrial lands would hamper local government planning efforts. Specially the report stated:

Considerably more information would need to be provided regarding and Industrial Land reserve before the implications for Delta could be fully assessed.

Port of Vancouver

The Port of Vancouver reiterated that the regional industrial lands shortage is even more dire and urgent than ever. This condition necessitates immediate action, such as a freeze on industrial rezoning to other land uses across the region, and a limitation of industrial strata conversion or strata development. The Port's concerns related to the lack of supply of industrial lands needed for Port and associated trade activities, and significant land value increases.

Specific Port comments included:

The strategy needs to ensure the protection of existing industrial land and identify more lands for future industrial and trade-related needs

... until a comprehensive regional land assessment is completed, one which identifies clear solutions to the loss of industrial land, a freeze on rezoning, re-designation or subdivision of industrial land should be put in place.

The Port supports a consistent and clearer definition of trade-enabling land use / classification / designation, and associated zoning to restrict non-industrial uses as well as strata uses on such lands.

It was also noted that some forms of industrial intensification (i.e. multi-level buildings) may not be directly relevant or appropriate for port or terminal lands, but could be a means to build additional capacity on other lands, including for industrial activities that accommodate businesses associated with the Port, and could take pressure off trade-oriented industrial lands.

Vancouver Airport Authority

The Vancouver Airport Authority recognizes YVR's interconnectedness with businesses on industrial lands located beyond Sea Island. The Airport, as per their YVR 2037 Master Land Use Plan, continues to advance ways to enhance connectivity of their operations and businesses to be more efficient.

The Airport notes that land on Sea Island is leased from the federal government and as a federal jurisdiction is not subject to municipal / regional planning policies or zoning regulations. Further, that as per the YVR Land Use Plan, the Airport applies a land use hierarchy that prioritizes land for airfield, terminal, airside, ground access, and groundside commercial uses, respectively, and that the Plan does not include an 'industrial' land use category or zone.

The Airport is supportive of the creation of an Industrial Land Reserve and safeguarding 'trade-oriented lands' essential to their operations, along with expanding data sharing, which can contribute to better transportation network connectivity and the success of the wider economy.

TransLink

TransLink staff comments included suggestions that the Regional Industrial Lands Strategy:

- Speak to the tension between industrial location preferences (e.g. large, flat and typically outlying sites not close to frequent transit) and the cost / inefficiencies of serving these areas via transit, and the trip generation impacts of non-industrial uses locating in industrial areas (i.e. increased transit demand, decreased truck trips).
- Introduce flexibility for uses permitted on Industrial lands adjacent to SkyTrain stations, and consider how to better support the mitigation of impacts (and potential conflicts) rather than restricting uses.
- Define industrial uses that benefit most from transit proximity (e.g. high employment density and person trips generation) and those that benefit least (e.g. low employment density, reliance on truck route access) to facilitate better alignment of land use and transit service.
- Address the need for alignment between the type of industrial use (i.e. the transportation needs) and regional location (i.e. the transportation access) while considering:
 - Goods movement needs – those uses with higher goods movement needs should be located with access to the Major Road Network and Truck Route Network, and other goods movement access as needed (i.e. heavy rail, water).
 - People movement needs – those uses that generate significant person-trips are best located with close access to the Frequent Transit Network (FTN), and likewise those uses that do not generate significant person trips are generally not the best use of land within closer proximity to the FTN.

Greater Vancouver Urban Freight Council

Discussion points with the Greater Vancouver Urban Freight Council included the Regional Industrial Lands Strategy's content, process, and timeline. There was recognition that specific transportation related actions could be led by TransLink. Some participants had questions about if First Nation lands would be considered as part of the industrial lands program. There was also a suggestion that memorandums of understanding with multiple different agencies could be useful means to work with partners to advance the implementation of the Strategy.

Urban Development Institute (UDI)

Comments by the residential and commercial developer association included the following:

- Concerns about the Strategy being too prescriptive and too specific about uses. Instead, there is a need to have flexibility to allow for market responsiveness to a changing economy, evolving industry, and business needs, as land use changes are a natural evolution over time.
- Strong support to intensify industrial lands and bring-to-market strategies.
- Also strong support for enhanced transportation connectivity, efforts to encourage economic growth, a framework for coordination, as well as improved data sharing and monitoring.
- Concern about the possible trade-oriented lands classification / designation, which is seen as a down-zoning of industrial lands and devaluing of properties by being overly-restrictive and preventing strata tenure development, and discouraging investment. Instead, tenure should be determined through market forces.

- A desire to allow for more and new types of industries, intensification, a mixing of uses, a larger component of commercial use, and even residential, within 800 metres of transit stations.
- Industrial development and supply opportunities would not benefit from additional complex and inflexible regulatory layers.
- Support for comprehensive assessment of land uses in the region, and that it includes agriculture lands.

Commercial Real Estate Development Association (NAIOP)

Comments by the industrial and commercial developer and user association included the following:

- The need to directly address the constrained land supply in the region as a main challenge, by increasing the industrial lands supply, with reference to the Agricultural Land Reserve being a unique local constraint.
- The removal of industrial lands for higher density employment uses does not often come up as a concern with regard to supply. The transition of older urban industrial sites into employment and / or residential uses is a natural part of a city's or region's expansion and change over time.
- Concerns about more regulations and restrictions, which could be too prescriptive to allow for flexibility and evolution. A desire for greater flexibility of uses on industrial lands, noting an evolving definition of industrial activities, and a need for innovation and intensification.
- Opposition to a trade-oriented land use designation or an Industrial Land Reserve, which would be overly restrictive and reduce the allowable uses and thus development potential of lands.
- Concerns about possibly restricting ownership options, namely not permitting strata tenure, which would prevent the densification of some sites to provide more industrial space for more occupants.
- The need to simplify and clarify the complex development and permitting review processes – an expedited approval process could better support the development of under-utilized lands that face various challenges.
- Support for a property taxation review, particularly regarding increases in property taxes for holding properties that are not yet used for industrial, but are taxed at industrial values / rates.
- Support for an updated industrial lands inventory, comprehensive assessment of land uses in the region, and bring-to-market strategy for vacant or under-developed industrial lands.
- Support for enhanced transportation connectivity for industrial areas.
- Interest in implementation of a uniform parking standard between municipalities, which could be based on a regional industrial lands parking study.



Office of Mayor George V. Harvie
City of Delta



MAYOR'S OFFICE

Delta

March 31, 2020

Sav Dhaliwal, Chair
Metro Vancouver Board of Directors
4730 Kingsway
Burnaby, BC V5H 0C6

Dear Chair Dhaliwal,

Re: Metro Vancouver's Draft Regional Industrial Lands Strategy

On March 9, 2020, Delta Council passed a resolution in support of the draft Regional Industrial Lands Strategy that provides a comprehensive set of recommendations to respond to the pressures facing the region's industrial land supply. Delta has a large industrial land base that is well located close to major transportation networks and we are committed to protecting this land base and encouraging redevelopment and intensification of under-utilized industrial lands. Delta has also sought to expand the industrial land base where agricultural and environmental benefits could be achieved.

Concern, however, was noted with Recommendation 4 to establish an Industrial Land Reserve for strategically located trade-enabling industrial lands in the Lower Mainland. A substantial portion of Delta is located within the Agricultural Land Reserve that is under provincial regulation, and Delta contains a large port facility and associated lands that are under federal regulation. Delta has a large agricultural and industrial land base, and is committed to the protection of both types of lands. Staff are aware of the inherent pressures and challenges facing both types of land uses but feel that an Industrial Land Reserve would create another level of regulation that would hamper local government planning efforts. Considerably more information would need to be provided regarding an Industrial Land Reserve before the implications for Delta could be fully assessed.

The Council report, dated February 27, 2020 is provided to Metro Vancouver as part of the final round of consultation on the draft Regional Industrial Lands Strategy.

... 2

March 31, 2020
Page 2

Should you require any further information, please contact Marcy Sangret, Deputy City Manager, by phone: 604.946.3219 or email: msangret@delta.ca.

Yours truly,



George V. Harvie
Mayor

Enclosure

cc: Jerry Dobrovolny, Chief Administrative Officer
Heather McNell, General Manager, Regional Planning & Housing Services
Delta Council
Sean McGill, City Manager
Marcy Sangret, Deputy City Manager
James Klukas, Acting Director of Community Planning & Development



City of Delta
COUNCIL REPORT
Regular Meeting

To: Mayor and Council File No.: P10-15
From: Community Planning & Development Department
Date: February 27, 2020

Metro Vancouver's Draft Regional Industrial Lands Strategy

The following report has been reviewed and endorsed by the City Manager.

▪ **RECOMMENDATION:**

THAT a letter be sent to Metro Vancouver highlighting Delta's support for the draft Regional Industrial Lands Strategy and noting concern with Recommendation 4 to establish an Industrial Land Reserve for strategically located trade-enabling industrial lands in the Lower Mainland.

▪ **PURPOSE:**

The purpose of this report is to present for Council's consideration Metro Vancouver's draft Regional Industrial Lands Strategy (Attachment A) as an opportunity to provide comment as part of the final round of stakeholder engagement.

▪ **BACKGROUND:**

In early 2019, Metro Vancouver hired Hemson Consulting to coordinate the development of the Regional Industrial Lands Strategy (Strategy). With the support of Metro Vancouver staff, rounds of consultation with the Industrial Lands Strategy Task Force and stakeholders have identified and refined a set of policy options and recommendations. The Strategy prepared by Hemson Consulting was received by the Metro Vancouver Board in November 2019, and gave staff direction to complete a third round of engagement and to return with a finalized Strategy for endorsement.

▪ **DISCUSSION:**

The Metro Vancouver region is facing a critical shortage of industrial lands. As the draft Strategy notes:

Years of steady population and economic growth in the region, ongoing conversion and non-industrial uses of industrial lands, and the constrained geography of the regional, have precipitated the challenges now facing Metro Vancouver's industrial land supply. Demand for industrial land continues to increase. Land values have increased significantly over the past few years and vacancy rates are at record lows.

As a result of these factors, the limited supply of vacant industrial land across the region is anticipated to face a worsening shortage over the next 10 to 15 years. With continued pressure for growth, limited options for expansion and increasing competition between other land uses, these issues threaten not only new opportunities for growth but also existing economic and employment activities.

The draft Strategy identifies four main challenges facing Metro Vancouver's industrial lands as:

- A constrained land supply
- Pressures on industrial lands
- Site and adjacency issues
- A complex jurisdictional environment

The challenges facing Metro Vancouver's industrial lands are complex and interconnected; no single actor or stakeholder will resolve them. Further complicating factors is the diverse make-up of the region and its industrial sub-markets and variations between jurisdictions. The draft Strategy identifies four goals (or "big moves"), noted below, to respond to the pressures facing the region's industrial land supply with 35 recommendations to address the industrial land challenges. Based on the recommendations, 10 priority actions were short-listed for implementation:

1. Protect Remaining Industrial Lands

Given the projected high demand for industrial lands in the region, it is important to protect the region's remaining industrial lands while mitigating pressures that undermine industrial uses on these lands.

Implementation Priority	Report Recommendation #	Lead Role
1. Strive for zoning consistency for industrial lands by developing a consistent definition of industrial and guidelines for permitted uses.	3	Metro Vancouver and Municipalities
2. Strengthen regional policy in the Regional Growth Strategy by increasing the minor amendment voting threshold for Industrial and other requirements.	2	Metro Vancouver
3. Recognize and protect trade-enabling lands in strategic locations through specific land use designations and increased direction for permitted uses. [Trade-enabling uses such as logistics, warehousing and distribution of goods support employment activity located on lands associated with the Port of Vancouver and YVR Airport.]	4 5 6	Province, Metro Vancouver, Municipalities

2. Intensify and Optimize Lands

Acknowledging the reality of a constrained land base, policies are needed that encourage the intensification of industrial lands, while also investigating opportunities to optimize the location of certain land uses over time.

Implementation Priority	Report Recommendation #	Lead Role
4. Encourage intensification of industrial uses in appropriate locations by removing unnecessary restrictions on increased development heights and densities and explore opportunities to incentivize such developments, as informed by regional guidelines.	8	Municipalities
5. Conduct a Regional Land Assessment	1	Metro Vancouver

3. Bring the Existing Land Supply to Market and Address Site Issues

To ensure the region's remaining vacant supply gets to market, identify the local issues facing these lands and the linkages between them, and map out the necessary policy updates and strategic investments in response.

Implementation Priority	Report Recommendation #	Lead Role
6. Develop 'bring-to-market' strategies for remaining areas of vacant land to proactively identify and address issues preventing sites from being developed.	17 32	Municipalities Metro Vancouver
7. Coordinate strategies encouraging local economic growth, local business expansion, and attraction of investment across Metro Vancouver.	30 31	Metro Vancouver and municipalities
8. Ensure transportation connectivity among the region's industrial areas by working together to proactively designate, manage and coordinate investment related to the region's goods movement network.	18 19 20 22	Translink Port of Vancouver

4. Ensure a Coordinated Approach

Improved cooperation and data tracking between governments and other organizations will be necessary to ensure accurate monitoring and effective land management into the future, while also guiding future coordination and alignment in terms of policy responses to issues as they arise in Metro Vancouver and across southern BC.

Implementation Priority	Report Recommendation #	Lead Role
9. Establish a broader framework for economic and land use planning collaboration between Metro Vancouver, neighbouring regions, and port facilities to support industrial land protection.	33 34 35	Province Metro Vancouver, FVRD, Federal Government, Port of Vancouver
10. Conduct a regional employment survey bi-annually to provide a better method of tracking changes in employment growth, land use and built space over time.	28	Metro Vancouver

Strategy Analysis:

The draft Strategy provides a comprehensive set of recommendations to respond to the challenges facing Metro Vancouver's industrial lands. Staff are supportive of the draft Strategy; however, staff have reservations with Recommendation 4 to establish an Industrial Land Reserve for strategically located trade-enabling industrial lands in the Lower Mainland. A substantial portion of Delta is located within the Agricultural Land Reserve that is under provincial regulation, and Delta contains a large port facility and associated lands that are under federal regulation. Delta has a large agricultural and industrial land base, and is committed to the protection of both types of lands. Staff are aware of the inherent pressures and challenges facing both types of land uses but feel that an Industrial Land Reserve would create another level of regulation that would hamper local government planning efforts. Considerably more information would need to be provided regarding an Industrial Land Reserve before the implications for Delta could be fully assessed.

Implication:

Financial Implications – There are no financial implications for Delta with respect to Metro Vancouver's draft Regional Industrial Lands Strategy.

Metro Vancouver's Next Steps:

Metro Vancouver's final round of engagement is happening now (February/March 2020) with the intent to discuss how best to advance the recommendations, confirm who should be taking responsibility for each recommendation and confirm the priorities. Metro Vancouver staff intend to bring the final Strategy and summary of any feedback received back to a final meeting of the Industrial Lands Strategy Task Force and Metro Vancouver Board in April 2020 for final approval. Following that, Metro Vancouver staff would continue to work with the Metro Vancouver member jurisdictions and regional stakeholders on implementing the Regional Industrial Lands Strategy priority actions, completing the Metro 2040 Industry and Employment Policy Review as part of the Regional Growth Strategy update, and completing an update to the Industrial Lands Inventory.

▪ **CONCLUSION:**

The draft Regional Industrial Lands Strategy summarizes the findings of research undertaken for Metro Vancouver's Industrial Lands Strategy Task Force, and identifies a set of 35 recommendations and 10 priority actions to respond to the challenges facing the region's industrial land base and interests. It is recommended that a letter be sent to Metro Vancouver staff noting support for the draft Strategy, but that Delta has concerns with Recommendation 4 to establish an Industrial Land Reserve for strategically located trade-enabling industrial lands in the Lower Mainland.



Marcy Sangret
Director of Community Planning & Development

Department submission prepared by: Tanya Mitchner, Senior Planner
TM/ph

▪ **ATTACHMENT:**

- A. Metro Vancouver's Draft Regional Industrial Lands Strategy dated November 15, 2019

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To: Regional and Corporate Services Committee

Date: 2020-02-13

From: Robin Beukens, Planner II

File No: 6430-25-013

Subject: Draft Metro Vancouver Regional Industrial Lands Strategy

RECOMMENDATION

THAT the Fraser Valley Regional District Board receive the draft *Metro Vancouver Regional Industrial Lands Strategy* referred to the Fraser Valley Regional District for review and comment;

AND THAT feedback include a request to Metro Vancouver to engage with Fraser Valley Regional District and municipal staff and elected officials on any recommendations that may directly impact this region or its member municipalities;

AND FURTHER THAT the Fraser Valley Regional District continue to develop an industrial lands inventory as part of the Regional Growth Strategy monitoring program.

STRATEGIC AREA(S) OF FOCUS

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BACKGROUND

Metro Vancouver is facing a critical shortage of industrial land. In response to this, the Metro Vancouver Regional District (MVRD) formed an Industrial Lands Strategy Task Force. The Task Force is responsible for conducting research, consultation, and developing a Regional Industrial Lands Strategy to be provided to the Metro Vancouver Board. The Task Force includes Metro Vancouver Board Directors as voting members, and non-voting members with knowledge of industrial lands including the Port of Vancouver, TransLink, Urban Development Institute, the BC Ministry of Jobs, Trade and Technology, BC Chamber of Commerce, Agricultural Land Commission, and representatives from the industrial development community.

A draft *Metro Vancouver Regional Industrial Land Strategy* was presented to the Metro Vancouver Board of Directors at its November 29, 2019 meeting. The draft strategy has been provided to the FVRD for review and comment.

DISCUSSION

The Task Force has produced a draft *Metro Vancouver Regional Industrial Lands Strategy*. The vision of the Strategy is to “Ensure sufficient industrial lands to meet the needs of a growing and evolving regional economy to the year 2050.” The Strategy speaks to the importance of industrial lands to the regional economy, identifies the main challenges facing Metro Vancouver in providing industrial land, and provides recommendations for addressing the industrial lands shortage.

Metro Vancouver projects that demand for industrial land will remain strong and that providing sufficient industrial lands will be critical to supporting a diverse and resilient economy. Industrial lands currently make up 4% of the Metro Vancouver Region’s land base but are home to approximately 27% of the region’s jobs directly, and support more jobs indirectly.

Through the creation of the Strategy, four themes emerged for reasons for the industrial lands shortage. These include:

- A constrained land supply;
- Pressure on industrial lands;
- Site and adjacency issues; and
- A complex jurisdictional environment.

The Metro Vancouver region is geographically constrained by mountains, ocean, and an international border. There is pressure on industrial lands from conflict with adjacent uses, rising land values creating pressure to convert to non-industrial uses, and climate change as a significant portion of the region’s industrial lands are in low lying areas and subject to potential flooding. Site and adjacency challenges relate to servicing and transportation challenges for industrial sites, both in provision of adequate servicing and transportation routes, as well as conflicts with surrounding areas due to the nature of industrial lands. The complex jurisdictional environment includes multiple levels of government and individual municipalities making decisions regarding industrial lands that can affect neighbouring municipalities and agencies in the region.

To meet future industrial land needs, the draft Regional Industrial Lands Strategy includes 35 recommendations. The Strategy notes that the region is diverse and not every recommendation will apply to each area of the region; the local context must be considered. From the 35 recommendations, 10 were identified as high priority. These ten are included under four themes:

- Protect remaining industrial lands;
- Intensify and optimize industrial lands;
- Bring the existing land supply to market and address site issues; and
- Ensure a coordinated approach.

The top ten recommendations include:

- Stronger regional policy;

- Zoning consistency between municipalities;
- Protecting existing industrial and trade enabling lands;
- Completion of a regional land use assessment;
- Intensification of industrial lands;
- Facilitating development on vacant industrial lands;
- Coordinating industrial economic development across the region;
- Providing adequate transportation for industrial lands;
- Coordination with neighbouring regions; and
- Completing regular employment surveys to track changes and adapt to employment, land use, and built space needs over time.

At a December workshop, Metro Vancouver staff indicated that the Strategy will be forwarded to the Metro Vancouver Board for adoption in the spring.

FVRD Implications

The FVRD and member municipalities are well aware of the industrial land constraints in the lower mainland as a whole and the Fraser Valley in particular. The Fraser Valley is limited by topography and agricultural lands and is subject to the same pressures as in Metro Vancouver.

The work that has gone into the strategy and the opportunity to comment is appreciated. As the Metro Vancouver and FVRD regions are closely tied, the background research and policy discussions can help inform discussions in this region.

However, as a Metro Vancouver entity, the Task Force did not include political representation from the FVRD. FVRD and municipal staff were among other stakeholders invited to participate in a series of workshops discussing the Industrial Lands Strategy in May, September, and December 2019.

The May workshop was an initial review of policy options for addressing the industrial lands shortage and pressures on industrial lands. The September workshop focused on strategies for industrial land management and possible policy recommendations. The final workshop in December provided an opportunity to review the draft recommendations that had been presented to the Metro Vancouver Board in November. At that time FVRD staff commented that recommendations involving the FVRD will require additional engagement with the FVRD and member municipalities.

Recommendations Involving the FVRD

Most of the 35 recommendations included in the *Metro Vancouver Regional Industrial Lands Strategy* focus on the Metro Vancouver region, but a few directly impact the FVRD. The three recommendations that specifically cite the FVRD are included below:

“RECOMMENDATION 4: That the Province of BC, in consultation with local municipal governments, establish an Industrial Land Reserve for strategically located Trade-Enabling industrial lands in the Lower Mainland (Metro Vancouver and Fraser Valley Regional Districts).

- This designation would be intended to curtail industrial land conversions by providing clear land use permissions and restrictions. Criteria for lands in the Reserve would be developed in collaboration with affected jurisdictions, but would at a minimum, identified lands would feature large sites and access to existing and/or planned major infrastructure, such as navigable waterways, railroads, airports and highways.” (p.48)

FVRD Comment: Introducing an Industrial Land Reserve could have significant implications for FVRD municipalities and electoral areas. While there is value in preserving industrial lands, adding an Industrial Land Reserve would add a layer of bureaucracy to the planning approval process for development applications on industrial lands. As the FVRD Regional Growth Strategy (RGS) does not regulate land use beyond the identification of Urban Growth Boundaries, Metro Vancouver must engage FVRD municipalities on matters pertaining to land use within their respective jurisdictions.

“RECOMMENDATION 33: That the Province of BC develop a framework for economic and land use planning coordination between neighbouring regions in the broader Southwestern BC economic region to support industrial land protection by:

- providing a Lower Mainland-wide view for industrial land management, infrastructure investment and other economic development opportunities between Metro Vancouver and the Fraser Valley Regional District;” (p.57)

FVRD Comment: The FVRD needs more information as to the purpose of the framework and how it would be implemented. Member municipalities, who are responsible for land use regulation within their respective jurisdictions, must be engaged in any discussions on this matter.

“RECOMMENDATION 34: That Metro Vancouver and the Fraser Valley Regional District develop and sign a memorandum of understanding that outlines their shared priorities regarding and commitment to the effective and efficient management, protection, and development of industrial lands within the Lower Mainland.” (p.57)

FVRD Comment: The FVRD needs more information as to the purpose of the proposed memorandum of understanding between Metro Vancouver and the FVRD. The FVRD’s RGS is not a land use plan and is significantly less prescriptive than Metro Vancouver’s RGS. It is unclear what mechanisms would be used to implement such an MOU. As with the other recommendations, the FVRD and member municipalities must be directly engaged in any discussions on this matter.

General FVRD comment

The FVRD is one of the most intensively farmed areas in Canada, generating the largest annual farm receipts of any regional district in British Columbia (\$1.5 billion in 2015) resulting in expenditures in excess of \$3.1 billion a year. While agriculture isn’t the only component of this region’s economy or industrial land base, one could argue that agriculture in this region could not be the powerhouse that it is without a healthy industrial land base to support it.

The shortage of industrial land is a significant concern in the Fraser Valley based on internal needs – this region can't be expected to be a relief valve for Metro Vancouver as well. The FVRD requires an industrial land base that at the very least can meet long-term internal demand (agricultural and non-agricultural). Competing industrial demand that does not necessarily support this region's existing diverse economy, could have long-term consequences.

As part of the RGS monitoring program, the FVRD is developing an industrial land inventory, incorporating information gathered by member municipalities where available, in order to track change over time. This information will provide a basis for further discussions with the Province and Metro Vancouver.

COST

N/A

CONCLUSION

Metro Vancouver has provided the draft *Metro Vancouver Regional Industrial Lands Strategy* for the FVRD to review. FVRD staff have reviewed the document and will provide comments back to Metro Vancouver. Among other things, Metro Vancouver will be asked to more directly engage with FVRD and member municipalities on any recommendations that directly involve this region.

COMMENTS BY:

Alison Stewart, Manager of Strategic Planning: Reviewed and supported

Stacey Barker, Director of Regional Services: Reviewed and supported.

Mike Veenbaas, Director of Financial Services: No further financial comment.

Jennifer Kinneman, Acting Chief Administrative Officer: Reviewed and supported.

April 20, 2020

Mr. Eric Aderneck
Senior Planner, Regional Planning and Housing Services
Metro Vancouver
4730 Kingsway
Burnaby, BC V5H 0C6
Eric.Aderneck@metrovancover.org

Dear Mr. Aderneck:

Re: Metro Vancouver Draft Regional Industrial Lands Strategy

We understand that Metro Vancouver is nearing completion of its draft Regional Industrial Lands Strategy and is seeking stakeholder input on the draft Strategy's proposed recommendations and priority actions. It is also understood that the Regional Industrial Lands Strategy will ultimately feed into the regional growth strategy update *Metro 2050*.

While we commend Metro Vancouver for conducting the Regional Lands Strategy work, as we have indicated on a number of occasions, most recently in our meeting with Metro Vancouver staff on March 11, 2020, we view the state of industrial land to be much more dire and urgent than indicated in reports and Committee updates associated with the Regional Industrial Land Strategy process. This situation is magnified further when we consider the lack of land inventory for logistics and distribution uses vital to the growth of trade related activities in the region. This issue requires immediate action: a freeze on rezoning industrial land.

The vacancy rate of industrial land is at an all-time low of 1.4%¹, one of the lowest in North America. The current industrial real estate portfolio cannot meet demand and the total supply of these lands continues to decrease due to strong market absorption, rezonings and inconsistent designations. In 2015, the port authority commissioned a study that highlighted the supply of available industrial land in the Lower Mainland is expected to be depleted within the next 10 years. We are currently updating this research, however we believe there may be as little as 3 years of available land left for industrial logistics and distribution uses. The strategy needs to ensure the protection of existing industrial land and identify more lands for future industrial and trade-related needs.

The port authority generally supports the 35 recommendations and 10 priority actions, particularly those relating to recognition of logistics and distribution uses related to trade, but the benefits of these actions, if approved, are years away, and do not go far enough to address the fundamental issues. The order of priorities also needs additional thought. The first priority action needs to be a freeze on rezoning industrial land. Then to guide decisions on where and how the growth of industrial should be achieved, an assessment of all land in the region should be undertaken as part of the *Metro 2050* update prior to any other actions that might affect the land base that could be utilized for industrial purposes.

Retention and growth of industrial land is of vital importance to the Metro Vancouver region. Industrial land is one of the best investment classes of land: studies show that that industrial lands in the region only comprise 4% of

¹ Colliers International Vancouver, Greater Vancouver Area Industrial Market Report, Q3 2019.

the land base, but account for about 27% (365,000) of the region's 1.3 million jobs and 30% of GDP². Industrial sector jobs have higher than average wages and generate significant tax revenue for federal, provincial, and municipal governments. It would be short-sighted to not ensure that current and future residents will have access to these well-paying jobs and a thriving economy.

We understand the difficult situation Metro Vancouver is in: providing regional planning for 21 municipalities, one treaty first nation, and one electoral area. The current uncoordinated approach to planning for industrial lands effectively encourages subdivision of large parcels and rezoning them for other uses. While municipalities are able to extract a higher value in the short-term from this practice, it is short-sighted and will not ensure that current and future residents will have access to the well-paying jobs and robust economy they require to thrive in the region. If large parcels of industrial land in strategic locations are not protected, industrial businesses will situate themselves elsewhere, such as Calgary and the U.S. to the detriment of the provincial economy as well as other impacts.

The existing approach has produced a varied view of what should be permitted in industrial zones, resulting in the introduction of non-industrial uses such as commercial activities (e.g. indoor recreation centres, offices, etc.), which erodes the integrity of industrial land. Similarly, the *Metro 2040* designation of "Mixed Employment" also erodes industrial land by promoting commercial and other employment related uses. Given all the data Metro Vancouver has compiled in its Committee reports on the importance of industrial land and the factors that threaten it, promoting commercial uses all but ensures that true industrial uses will not thrive in these locations as they will get beaten out by private market forces.

Overall, we generally support the proposed recommendations and actions in the draft Regional Industrial Lands Strategy, however, the port authority is seeking timely and more decisive measures to protect and grow industrial land in the region. We believe Metro Vancouver is making a sincere effort to address this serious problem, but given its urgency, we believe that until a comprehensive regional land assessment is completed, one which identifies clear solutions to the loss of industrial land, a freeze on rezoning, re-designation or subdivision of industrial land should be put in place. Given the chronic conditions in the industrial market, which have been acknowledged for over a decade, it troubles us that a meaningful resolution to the problem may be years away. A commitment to address this issue in the short-term, with a focus on preserving the existing industrial land base and trade enabling land in particular, is preferable from the port authority's perspective.

Thank you for the opportunity to provide our input on this important issue, and we look forward to further dialogue on finding solutions for our collective benefit.

Yours truly,

VANCOUVER FRASER PORT AUTHORITY



Greg Yedmans
Director, Planning & Development

cc Peter Kotta, VP Planning & Operations, Vancouver Fraser Port Authority

² InterVISTAS, Importance and Economic Impact of Industrial Lands in the Metro Vancouver Region – 05 February 2019 (FINAL REPORT)



P.O. BOX 44638
YVR DOMESTIC TERMINAL RPO
RICHMOND BC
CANADA V7B 1W2

TELEPHONE 604.276.6500
FACSIMILE 604.276.6505
WWW.YVR.CA

April 21, 2020

Heather McNell – General Manager
Regional Planning and Housing Services
Metro Vancouver
Metrotower III
4730 Kingsway
Burnaby BC
V5H 0C6

Dear Heather

Re: Metro Vancouver Draft Industrial Land Strategy

Thank you for the opportunity to comment on the Metro Vancouver Draft Regional Industrial Lands Strategy. We appreciate the time taken by James Stiver and Erik Aderneck to meet with us on March 2nd to share progress on this important regional planning initiative. In response, we provide some context on Vancouver Airport Authority's regional role, governance structure and the Sea Island planning and land use below. Within this context, Airport Authority comments on the specific recommendations contained in the Metro Vancouver Draft Industrial Land Strategy (the "Draft Strategy") follow.

The world has changed significantly since our March 2nd meeting, due to the ongoing Covid-19 pandemic. The current crisis could potentially reshuffle existing business models or create new ones, with many industries—including global aviation—taking many years to fully recover. Vancouver Airport Authority is working closely with our government partners and stakeholders to weather the current storm and prepare for eventual recovery.

YVR's Role in the Region and Governance Structure

Vancouver International Airport (YVR) plays a crucial role in supporting the regional, provincial and national economies, providing a gateway for the movement of people and goods, facilitating trade, driving business activity and supporting more than 26,500 jobs on Sea Island, and 126,000 jobs across BC, most of which are in the Metro Vancouver region. For ten consecutive years we have been voted best airport in North America, by SkyTrax – the global benchmark in airport excellence.



This accolade highlights the strength of the Airport Authority's unique not-for-profit operating model—YVR receives no government funding to operate the airport and all revenues are reinvested back into airport operations, maintenance and future projects for the benefit of our passengers, business partners and local communities across the region. It also reflects a history of careful planning, strategic infrastructure investment, and a balance between multiple revenue streams that keep costs affordable and supports Metro Vancouver's regional competitiveness.

The Airport Authority remains accountable to the community through a mandate that stipulates the operation of a safe, efficient and reliable airport. We are governed by a community-based Board of Directors that oversees decision-making, including decisions relating to land use and land development. While we are an economic engine for the region, Vancouver Airport Authority is not represented on the Metro Vancouver Board or regional decision-making bodies such as the TransLink Mayor's Council. However, as key stakeholders in the region, our objective is to work together with our municipal partners towards the sustainability and economic prosperity of our region.

Planning and Land Use on Sea Island

Land on Sea Island is leased from the federal government and as a federal jurisdiction is not subject to municipal planning policy or zoning regulations. Under the terms of our ground lease with the Transport Canada, the Airport Authority is required to prepare a Land Use Plan every ten years. The Land Use Plan is approved by the Minister of Transport and safeguards land for the uses required to accommodate airport activity and to support forecast growth in passenger, aircraft and cargo volumes over the next 20 years.

Under the terms of the Airport Authority's federal lease, YVR is required to develop land on Sea Island for uses that are compatible with the management, operation and maintenance of its airport function. The Plan Land Use Plan is intended to avoid incompatible land uses on airport lands. Given the limited availability of land on Sea Island, YVR's land use planning process carefully considers the long-term development needs of the airport. We apply a land use hierarchy that prioritizes land for airfield, terminal, airside, ground access and groundside commercial uses respectively. While the development enabled by the approved YVR Land Use Plan *may* in certain instances be consistent with the industrial land use types described in section 1.4 of the Draft Strategy, the approved YVR Land Use Plan does not include an 'industrial' land use category or zone. Further, uses permitted under the approved YVR 2037 Land Use Plan are *not* restricted to industrial-type developments.

In fact, in consideration of YVR's key role in supporting trade and tourism, uses such as hotels, conference facilities, and offices are appropriate and fitting on Sea Island, provided such land is not required for airfield, terminal or airside requirements. These types of non-industrial uses are also consistent with global best practice at leading hub airports worldwide.

Similarly, trade enabling uses that support the movement of goods (such as warehouses and distribution facilities), may be considered on land parcels are not required for airfield, terminal or other airside uses. However, all development on Sea Island must conform to current Canadian and international aerodrome and related certification standards. These standards include height restrictions for developments close to the airfield (to ensure aircraft have sufficient clearance); the protection of spaces where navigational aids and



communications equipment are located; and rules ensuring visibility for air traffic control functions. Further considerations as to the appropriateness of development on Sea Island relate to the traffic generated by such development and the need to safeguarding efficient and reliable ground access for air passengers.

In summary, simply because vacant or greenfield land is available on Sea Island, it should not automatically be assumed that this land is available for industrial-type development. The Airport Authority's land use planning and development decision-making process involves a multitude of factors. These complex considerations give priority to our airport function, as well as our role as an economic driver and the region's gateway for the movement of both people and goods.

RECOMMENDATION 1: That Metro Vancouver, in collaboration with member jurisdictions, other regional agencies, First Nations, and other relevant stakeholders, conduct a comprehensive assessment of current land uses and designations in identified areas of interest.

Having reviewed Recommendation 1, we are happy to provide Sea Island land use information that would support the reliability and accuracy of this assessment. However, given the specific land use planning process required to be followed on airport lands, we have concerns about the statement in recommendation 1(a) which proposes “examining the potential for joint use for large non-intensive land uses such as extractive activities, airports, public rights-of-way, and others”. In our view the wording of this recommendation is ambiguous, and its implication is unclear. Given limited land availability, the constraints on Sea Island development, and taking into account the Airport Authority's core mandate, airport lands are unlikely to be available for “joint use”. Further, given the nature of airport development, it is unlikely that airport lands would be available for “land swaps” as proposed in recommendation 1(b). We therefore request that reference to airports be removed from the recommendation.

RECOMMENDATION 3: That Metro Vancouver, in collaboration with member jurisdictions and other regional agencies, develop a consistent definition of ‘industrial’ and guidelines for which primary and secondary (or ancillary) land uses should be permitted in Industrial and Mixed Employment designated areas, respectively.

The Airport Authority falls outside of the definition of member jurisdictions for reasons outlined above. The ‘industrial’ land use definition does not apply to Sea Island and is not a category in the approved YVR 2037 Land Use Plan. Any guidelines as to permitted land uses would not apply to land within the Airport Authority's jurisdiction.

RECOMMENDATION 4: That the Province of BC, in consultation with local municipal governments, establish an Industrial Land Reserve for strategically located Trade-Enabling industrial lands in the Lower Mainland (Metro Vancouver and Fraser Valley Regional Districts). This designation would be intended to curtail industrial land conversions by providing clear land use permissions and restrictions. Criteria for lands in the Reserve would be developed in collaboration with affected jurisdictions, but would at a minimum, identified



lands would feature large sites and access to existing and/or planned major infrastructure, such as navigable waterways, railroads, airports and highways.

In recognition of the importance of Airport Authority's trade enabling role, we support this recommendation. In particular, the maintenance of efficient and reliable access between Sea Island, the regional road network (Highway 99 and Highway 91) and Trade Enabling lands should be protected and enhanced. This will become even more important in the region's recovery following the Covid-19 pandemic. Safeguarding industrial and trade-enabling lands will be critical and will put Metro Vancouver at a competitive advantage to stimulate economic activity and long-term growth in a post-Covid-19 world.

RECOMMENDATION 6: That municipalities, in collaboration with Metro Vancouver, identify and designate appropriate areas as Trade-Enabling Zoning. Non-industrial uses and the fragmentation of parcels are to be restricted within these areas in order to maximize these strategically located lands for industrial and trade focused activity.

Aviation is an enabler of international trade and economic development. As the region's primary airport, YVR plays a critical role in enabling trade and supporting Metro Vancouver's economic competitiveness. The airport's trade enabling role in the region involves facilitating the movement of both people, high-value cargo and stimulating value-added industrial development. Restricting land uses on Sea Island to 'industrial' as defined in section 1.4 of the Draft Strategy would undermine YVR's strategic trade-enabling role as it negates the essential role that YVR plays in the movement of people and goods—limiting the competitiveness of both YVR and the Metro Vancouver region.



RECOMMENDATION 18: That TransLink, Metro Vancouver, the Port and municipalities continue to work together to proactively designate, manage, and regularly update the Regional Truck Route Network in line with the recommendations of the Regional Goods Movement Strategy to ensure the safety and reliability of the regional goods movement network.

The Airport Authority supports this recommendation. YVR should be included in the list of stakeholders identified.

RECOMMENDATION 20: That the Port of Vancouver, through updates to Gateway 2030, Metro Vancouver, through updates to Metro 2040, and TransLink through updates to the Regional Transportation Strategy, work together to identify policies and actions that support the optimization and safety of goods movement to and from industrial lands via roads, highways, railways and access points to navigable waterways including short sea shipping.

The Airport Authority supports this recommendation. YVR should be included in the list of stakeholders identified.

RECOMMENDATION 29: That major regional industrial land users and organizations, such as the Vancouver Fraser Port Authority, YVR, NAIOP and other relevant stakeholders, consider expanding data sharing partnerships for the purpose of improving economic development and infrastructure investment, guiding land use and goods movement planning, and informing the development of associated policies.

The Airport Authority supports this recommendation and is committed to working with regional stakeholders to further economic development and infrastructure investment in the region.

Thank you for your consideration. We welcome the opportunity to discuss these comments further with you and look forward to further engagement with you as the draft Strategy is developed.

Yours truly,



Christoph Rufenacht

Director, Planning





URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION
#1100 – 1050 West Pender Street
Vancouver, British Columbia V6E 3S7 Canada
T. 604.669.9585 F. 604.689.8691
www.udi.bc.ca

April 9, 2020

Eric Aderneck
Senior Planner
Regional Planning and Housing Services
Metro Vancouver
4730 Kingsway
Burnaby, BC V5H 0C6

Dear Mr. Aderneck:

Re: Metro Vancouver Regional Industrial Lands Strategy

I would like to thank you and James Stiver for meeting with UDI's Industrial/Commercial Standing Committee on March 10 regarding the draft *Metro Vancouver Regional Industrial Lands Strategy*. As requested, we are providing our comments on the draft *Strategy*. They are similar to the comments provided by stakeholders at your December 10 Workshop. While we support most of the elements in the *Strategy*, UDI is concerned that there are some critical recommendations in the plan that would add complexities and inflexibility to land use decision making. This would stifle needed innovation in our economy as industrial uses evolve over time. It would also undermine Metro Vancouver's goals of intensifying industrial sites and bringing more industrial land to market.

Metro Vancouver has identified ten priority actions over the next two years to address the supply of industrial lands and space. UDI's Industrial/Commercial Standing Committee has reviewed the priorities and has the following comments.

1. **Define Trade-Oriented Lands:** UDI is not opposed to providing clarity on what would be ideal "Trade-Oriented Lands". However, we are very concerned about some of the other recommendations in the Hemson Consulting Report that could substantially impact "Trade-Oriented Lands," such as the proposed Industrial Land Reserve (ILR), Trade-Enabling Overlay/Zoning and potential restrictions on stratification. These measures would, in effect, downzone and/or devalue properties - discouraging private sector investments in industrial lands at a time when Metro needs and is prioritizing these investments (e.g. for intensification and bringing industrial land to market). **UDI advises against the ILR, Trade-Enabling**

Overlay/Zoning and stratification restrictions on industrial land – especially if there are no offsetting measures put in place (e.g. density transfers or property tax mill rate reductions).

We are also concerned about how quickly Metro Vancouver is moving forward with defining “Trade-Oriented Lands”. The work is intended to be completed by Summer 2020 – even though the Regional Land Use Assessment (see below) will not be finished until next year. It is important that land owners of properties which could be defined as trade enabling are extensively involved in the consultation process, which short timeframes would prevent – especially with the current COVID-19 pandemic. As such, ***UDI recommends that this action item be incorporated in the Regional Land Use Assessment.***

2. **Conduct a Regional Land Use Assessment (RLUA): UDI is strongly supportive of this priority action.** We have been recommending this for several years. We were also pleased to hear that the RLUA includes more than just industrial and employment uses. However, it is not clear about whether agricultural uses will also be considered in the assessment. We agree with NAIOP, “... *there could be more efficient ways to use these agricultural lands with regards to their supply chain needs.*” This could include allowing food processing, food packaging and cold storage on some agricultural lands. We note that the B.C. Food Security Task Force recommended allowing some agricultural-industrial uses in the Agricultural Land Reserve. **UDI recommends that agriculture be included in the RLUA.**

3. **Strengthen Regional Policy:** UDI did not support having a voting threshold to change the designation of industrial lands when it was introduced in the *Metro Vancouver 2040 Regional Growth Strategy*, so we do not support increasing it further. We were especially concerned about the potential of freezing obsolete industrial properties in congested urban areas near transit lines. We are pleased that Hemson is suggesting that mixed and residential uses be allowed on employment lands within 200 metres of rapid transit stations. However, **given that [TransLink](#) has identified the catchment area for riders is 800 metres walking distance to transit stations, we suggest that commercial and residential rental uses be allowed beyond the 200 metres. In addition, these uses should also be considered for light industrial – not just employment lands in areas near high order transit.** This would encourage the intensification and use of industrial sites. In addition, there is a meshing of commercial and industrial uses for new economy

businesses. **We ask that this issue also be addressed in the RLUA.**

Much more consultation with industry and land owners is needed with regard to the “no net loss of land” approach which Metro Vancouver is exploring for when industrial land is re-designated. It is not clear how this would be operationalized.

With regard to the clarification of definitions and permitted uses on the industrial and mixed employment lands, please see our comments below.

- 4. Seek Municipal Consistency in Definitions and Permitted Uses: We are concerned that this priority action may lead to prescriptive restrictions on land uses,** and prevent innovative businesses that local governments may wish to locate in their communities. In addition, this consistency could lead to a “one size fits all” approach. For example, as discussed on March 10, some uses such as artist studios or film production may not be suitable for industrial areas in some communities, but appropriate in others. We agree with NAIOP that this approach would also add complexity to the regulatory environment – hindering Metro Vancouver’s goals to intensify industrial sites and bring industrial lands to market.

As noted at our meeting, we also recommend that Metro Vancouver and local governments consider allowing expanded uses in industrial zones (e.g. recreation uses) if there are caps placed on the number of those businesses. Some local governments are considering this approach in the Region.

- 5. Encourage Intensification: UDI is strongly supportive of Metro Vancouver working with local governments to provide incentives to intensify industrial lands and research the barriers preventing multi-storey industrial spaces.** We also agree with NAIOP that governments need to be careful about applying other prescriptive and inflexible policies on industrial land, which would undermine this priority action.

UDI is pleased that one of the recommendations in the Hemson Report is to “... *study the implications of the current approach to property tax assessment and tax rates based on the highest and best use of a property with regard to its impact on industrial businesses.*” Higher taxes have been an impediment to intensification and bringing

industrial land to market.

6. **Advance Bring-to-Market Strategies:** Again, **UDI is strongly supportive of this priority action.** We also agree with NAIOP that **local governments need to consider front-ending the infrastructure required for servicing new industrial lands and providing clarity to industrial builders about the costs and timing of infrastructure.**
7. **Coordinate Strategies to Encourage Local Economic Growth:** **UDI is strongly supportive of this priority action** – especially utilizing the Regional Economic Prosperity Service. As with other business groups, UDI believes there needs to be more regional coordination with regard to economic development, research, data sharing and attracting new investments.
8. **Ensuring Transportation Connectivity:** **UDI is strongly supportive of all the recommended initiatives in the Hemson Report to improve transportation connectivity for the region’s industrial lands.** This is essential to achieve Metro Vancouver’s objectives to expand and intensify the regions industrial lands.
9. **Improve Data and Monitoring:** **UDI is strongly supportive of conducting the Regional Industrial Lands Inventory and the Employment Survey.** We ask that this work be done in collaboration with the industry and other stakeholders. Included in this section, there is also a recommendation (#29 in Hemson Report) that there be a data sharing partnership between the Port, YVR, industry and other stakeholders. We agree with NAIOP that this partnership should also include the Agricultural Land Commission.
10. **Develop a Framework for Economic & Land Use Planning Coordination:** **UDI is strongly supportive of this priority action.** However, we believe that it should be expanded beyond just the regional districts of the Fraser Valley and Squamish Lillooet. Some of the activities related to logistics and goods movement could be done in other locations (e.g. Prince George, Ashcroft, Calgary and Edmonton) where there less constraints on the supply of land. Metro Vancouver has a limited land supply as well as a rapidly growing economy and population. We need to consider whether storing cargo containers in the Region is an efficient and appropriate use of our limited land resources.

In addition to the Province, the Federal Government should also be involved as the Port and YVR fall under their jurisdiction. As such, we are very supportive of recommendation 35 in the Hemson Report – *“That the federal government, in implementing the Port’ Modernization Review, take a broader provincial perspective for ports in British Columbia, in part to alleviate land pressure in the Lower Mainland.”*

We would also like to provide comments on a couple of other recommendations in the Hemson Report that do not fall under the priority actions. First, it is our understanding from our March 10th discussion that no assessment has been done regarding the impact of the railway guidelines on current and future land use plans. We suggest that Metro Vancouver and/or local governments assess this before recommendation 16 is fully adopted. If there are impacts on landowners, we ask that they be consulted as well. We also concur with NAIOP’s concern that it is not clear whether adopting recommendation 16 would result in another level of oversight and approvals for builders.

Second, UDI is supportive of adapting to rising sea levels and flood events for industrial lands (recommendation 12). However, it is not clear how the work of the *Regional Industrial Lands Strategy* will be coordinated with other provincial, regional and local climate adaptation efforts. It is important to note that efforts to restrict industrial land uses will make it more difficult to fund adaptation measures to protect industrial lands.

Thank you again for meeting with our Industrial/Commercial Committee regarding the *Regional Industrial Lands Strategy*. UDI wants to ensure that we can expand the availability of industrial space in Metro Vancouver over the next thirty years for businesses and workers in this critical sector. We believe that this can be best done by avoiding a complex and inflexible regulatory structure. We look forward to working with Metro Vancouver, local governments and stakeholders on the *Strategy*, its implementation and the upcoming *Regional Growth Strategy Update*.

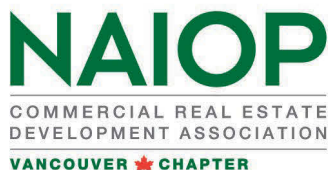
Yours sincerely,



Anne McMullin
President & CEO

CC:

James Stiver, Manager, Growth Management and Transportation, Metro Vancouver
Heather McNell, General Manager, Regional Planning and Housing Services, Metro Vancouver



April 15, 2020

Metro Vancouver
Regional Industrial Lands Strategy Task Force
Metrotower III, 4730 Kingsway
Burnaby, BC V5H 0C6

Attention: Eric Aderneck

Re: NAIOP Vancouver Feedback on Metro Vancouver Regional Industrial Lands Strategy, Draft dated November 15, 2019

NAIOP Vancouver (“NAIOP”) would like to express appreciation for the works being completed by the Industrial Lands Strategy Taskforce. With a membership across North America, representing every user type operating within employment lands, NAIOP shares in some of the Taskforce’s concern. The steady erosion of industrial land inventory needs to be addressed to ensure a sustainable and balanced employment mix within the region. We have taken the time to review and comment on the recommendations provided in Metro Vancouver Regional Industrial Land Strategy. It is our hope that the commentary herein will help highlight areas where the Taskforce’s impact can ensure positive and efficient changes within the GVRD.

NAIOP, on behalf of its membership, is committed to remaining engaged with Metro Vancouver and the various stakeholders as the Regional Industrial Lands Strategy for Metro Vancouver evolves. NAIOP will continue to provide feedback and connect the voice of the commercial real estate industry and users of industrial space to conversations and proposed policy around industrial land in Metro Vancouver. NAIOP is also committed to working with Staff within the municipalities on way to improve the ability to bring industrial land to market, as well as any feedback on zoning updates or potential impediments to the economic growth of businesses within their municipalities as it relates to real estate.

Objectives of the Task Force:

The “Main Challenges” outlined in the introduction of the report summarize 4 economic conditions/constraints that the industrial land supply currently faces. NAIOP would like to put forward a number of additional challenges that should be addressed concurrently to those noted within the report and, if excluded, could result in recommendations guided by only a subset of the issues faced by industrial users and landlords. The outcome of recommendations informed by only a limited number of the constraints on the industrial market could result in minimal impact with regard to the objectives of the Taskforce, or worse, exacerbate the existing issues.

As the taskforce moves forward, NAIOP would ask that the following considerations be included within the definitions of the “Main Challenges”.



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- Constrained Land Supply: When considering the constraints for the additional of industrial supply to Metro Vancouver, the Agricultural Land Reserve is a unique local constraint. Municipalities across North America utilize the expansion of industrial space into farmland as the primary mechanism for allowing new supply. This should be perhaps the most dominant factor when drafting language describing “Constrained Land Supply”.
- The language within the report seems to favor the protection of Industrial lands and the current definition of industrial “uses” therein. NAIOP would suggest perhaps a more positive outcome would be derived if the goal was to both increase industrial land availability and to intensify the uses within those lands. On June 20 of 2019, NAIOP presented to Metro Vancouver on the feasibility of intensification of lands in the GVRD. The contents of that presentation looked towards solutions given Metro Vancouver’s limited land supply and, highlighted the requirement for flexible zoning and creative solutions for the growth within this segment of the market. In order to accommodate intensified uses in industrial zones, a healthy addition of both commercial and office uses may be required. Recommendations seeking to limit zoning flexibility, or the uses within industrially zoned land, would prevent these unique design solutions from advancing. Metro Vancouver already faces stringent seismic conditions, construction cost premiums and time-consuming regulatory pathways. For innovation and intensification to occur in building design, a focus should be placed on allowing flexibility so that industry may derive solutions for novel intensification unimpeded by new policy restrictions. Limitations placed within Zoning will not drive innovation within this space.
- In both 2010 and 2015, NAIOP had assisted in the production of a Metro Vancouver report outlining the then-current industrial land supply. Metro Vancouver plans to complete an additional report for mid-2020. NAIOP would request to be part of this report as well as they have in the past. Given the significant movement in the market as well as the rapid evolution of uses within Industrial space, NAIOP would strongly recommend an update to this report to ensure accurate data is utilized in guiding Metro Vancouver’s recommendations. The expectation surrounding these prior reports was for updates to be completed on a 5-year cycle.
- Complex Jurisdictional Environment: The language describing this challenge seems to address only inter-municipal policy. While development activity takes into account the policy of each municipality, where supply becomes constrained is in the complex and layered review and approval process required in order to advance new construction. The Metro Vancouver region faces significantly longer permitting timelines and a more complex process when compared to neighboring regions, and longer timelines result in higher project costs as well as delays to the businesses requiring additional space to successfully grow. As such, recommendations within this report should also seek to simplify and clarify process and limit oversight and review amongst regulatory bodies. Additional regulatory process would ultimately exacerbate both development

cost and timeliness, negatively impacting supply. NAIOP does however recognize the challenges involved with simplifying processes similarly between municipalities as each municipality has the right to further its initiatives independently.

- Pressures on Industrial Lands: In speaking with our membership, representing the majority of all new industrial development within Metro Vancouver, the commentary on the removal of industrial lands for higher density employment uses does not often come up as a concern with regard to supply. As population centers grow outward, industrial users do not want to be operating large traffic-heavy operations in the same locations under consideration 20, 50 or 100 years prior. The flow of land use from industrial into higher, employment dense and/or residential uses is a natural part of a city's expansion. A large constraint contributing to the industrial land shortage within the Metro Vancouver is the Agricultural Land Reserve and seeking to limit Industrial land from being converted to better, more appropriate uses will not only fail to solve the problem, but will create additional impediment to Metro Vancouver's growth and affordability going forward. A particular example would be where functionally obsolete industrial buildings now border high-density development and rapid transit. While we are in no way suggesting agricultural lands are not also critically important to the future of food supply, we do believe there could be more efficient ways to use these agricultural lands with regard to their supply chain needs. For example, onsite cold storage or food packaging would not only reduce transportation requirements for farmers but also promote a more sustainable economy. Allowing these types of industrial uses on agricultural lands benefits both the industrial and farming industries while helping to alleviate the issue of a constrained land supply.

Report Recommendations:

Further to the above feedback on the challenges and objectives of the report, NAIOP has provided feedback on the majority of the recommendations drafted. Below please find brief comments on each recommendation:

Recommendation #	Commentary
1	One of the largest stakeholders that needs to be included in any comprehensive assessment on industrial lands is the Agricultural Land Commission. As the majority of North American cities utilize improvement of agricultural lands to produce new industrial lands, the body overseeing the regulation preventing this natural expansion should be incorporated into stakeholder review. Our caution is to avoid the situation where "Like the Agricultural Land Reserve" we end up protecting the industrial lands only within the context of the current definition of industrial uses.



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	<p>Future land use requirements are hypothetical and regulation impacting their future use will impede the evolution of Metro Vancouver’s employment lands.</p>
2	<p>Point “a” would create a more difficult threshold regarding employment lands as a whole and would therefore impede the ability for the construction of new supply. While this measure would protect “Industrial” lands by their definition, this would result in slowed employment growth for the region as a whole.</p> <p>With regard to point “d”, we would agree; however, we would suggest that by removing prescriptive uses in Zoning bylaws for these areas it would help to expand the innovation of industrial uses that would look to occupy these spaces.</p> <p>In general, additional prescriptive language may actually make it more challenging for industrial businesses.</p>
3	<p>Similar to the commentary above, we feel this recommendation may directly complicate and add additional regulation and review to current municipal policy. While the outcome may result in marginal benefit in uniform definition of industrial lands, it is our opinion that the inefficiencies arising from a more complex regulatory environment would outweigh any benefit.</p> <p>The idea of municipalities “pre-zoning” certain lands where industrial uses make sense was discussed. While we believe this would overall be beneficial in terms of removing ambiguity in land use, we would like to note that how these parcels would be taxed at the provincial level is a concern. If the province continues to determine assessed value based on the future development potential, this will negatively impact the landowners of the pre-zoned parcels where industrial uses are intrinsically more valuable. If however the municipality brought in servicing to these lands, there would be clarity around the DCCs or Levies payable and the lands would be more saleable, and therefore developable. Future development would be easier to value. This could also reduce land speculation as the lands would be zoned and serviced for industrial development. The additional lands brought to market could alleviate pressures on agricultural lands.</p> <p>One idea NAIOP would like to note is a discussion around the implementation of a uniform parking standard between municipalities, which could be based on a regional industrial parking study.</p>
4	<p>We are concerned with this recommendation for a few reasons as we believe the challenges that will arise from this reserve would far outweigh the temporary benefit to current industrial uses. “Land Reserves” in any form protect the current</p>



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	status quo and create a very substantial impediment on the region's ability to evolve, adapt and innovate in a changing market place. Of recommendations 4, 5 and 6, NAIOP suggests proceeding with a review of these in the priority of 5, then a review of 6 followed by 4. Input from stakeholders and the business community on any of the recommendations noted in 4, 5 and 6 are strongly advised.
5	This recommendation seems to imply that additional prohibitive policy could be enacted on the current, limited, industrial supply, which is of significant concern. We would ask for more clarification on how this recommendation would support industrial supply or intensification.
6	We would caution the designation of specific trade-enabling zoning or restrictions on privately held property without in depth consultation with stakeholders. Any imposition on privately held lands, specifying a less intensive use would exacerbate the land shortage. A regional overlay would be required to assess the impact of a proposed change of this magnitude.
7	Please see commentary throughout this letter regarding the impact of limiting industrial uses. To imply that only the current understanding of ideal industrial use is appropriate within these lands is short-sighted and will limit the ability for industrial users within Metro Vancouver to adapt to a changing global market. It is difficult for us to support the idea that business owners could potentially lose their ability to purchase their real estate as part of their business operations if permitted forms of tenure are restricted. Both stratified freehold and leasehold options are critical to the economy. It should be noted that stratified freehold options would not exist in today's marketplace if there wasn't existing demand.
	The fundamental nature of industrial users, particularly the larger requirements, results in a wide variety of building requirements. Trying to dictate the type of building the future industrial users may require will eliminate Metro Vancouver from consideration by groups looking to construct specialized design-built facilities.
8	Physical intensification, while positive, is constrained primarily by construction cost within the Metro Vancouver region. This can be overcome by tenants that provide higher rents allowing for more significant investment in structural improvements. This intensification will be made impossible through restrictive definitions within zoning and adverse additional regulatory requirements proposed elsewhere within this report.



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9	Refer to attached June 2019 NAIOP Presentation to Metro Vancouver's Industrial Land Taskforce
10	We ask this recommendation to be expanded to include the full supply chain surrounding local agriculture abiding by the 50/50 rule.
11	We are supportive of this recommendation and would further ask that there not be arbitrary restrictions of the size/operational activity and density of these uses given they still adhere to the 50/50 principle.
12	This appears to be an outcome beyond the objective of this report. Local building codes address design consideration to account for Regional Flood Management and industrial development of river front lands. However lands adjacent to the dike system provide for upgrades as part of the development. Further, Industrial uses provide superior flood protection relative to agriculture.
13	Agreed
14	Buffers of this nature are currently managed at a municipal level and enacting this recommendation does not assist in addressing industrial supply issues. The recommended guidelines would appear to address items outside the scope of this report and would impede land supply by reducing developable area.
15	Assuming this onus is put on the residential parcels, we would agree.
16	We would request additional clarity on this recommendation. It appears the Railway Association is requesting an additional layer of oversight and approval which will have a negative effect on industrial users.
17	We feel the most valuable aspect of this recommendation is the advancement of infrastructure improvements as this is most likely the main factor when considering the delay in bringing vacant lands to market. We would suggest that the most effective way to address this is to have municipalities front-end the actual installation of required infrastructure as opposed to developer-led initiatives. Providing clarity around contributions and timing for these works is instrumentally beneficial to developers and landowners as it reduces ambiguity and creates a level playing field.
18	Agreed
19	Agreed

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20	Agreed
21	Agreed
22	Generally we support the port's long-term vision as a participant of Canada's economy.
23	Agreed
24	Agreed
25	Agreed
26	Agreed
27	Agreed
28	Agreed
29	Agreed, and NAIOP would suggest the Agricultural Land Commission should be included.
30	We would ask Metro Vancouver to take into account the external impact the other 34 recommendations will likely have on the efficacy of recommendation 30. A significant number of the recommendations presented seem to serve only specific interests as opposed to providing a broad and balanced approach to strengthening the region's industrial lands. As such, any value proposition produced as a byproduct of these recommendations will reinforce the opinions of specific interests and will detract producing a clear and effective path forward.
31	Agreed
32	Agreed
33	Agreed
34	Agreed
35	Agreed



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In conclusion, when reviewing the 35 independent recommendations provided in the report, we would suggest that a few could be consolidated or eliminated in the event that they are outside the scope of this report. Recommendations to limit flexibility within zoning, bias towards port-uses and an increase in regulatory complexity will contradict the handful of items seeking to improve intensification and supply. While perhaps a challenging political conversation, we are afraid that avoiding the conversation surrounding the ALR's impact on Metro Vancouver's industrial land supply has resulted in this report missing one of the largest contributors in creating the land shortage we currently face. Each of the independent recommendations within the report will have limited independent impact on the underlying problem and, in concert, will create discord and prevent unified and concise changes within the region.

We would ask the Taskforce to concisely summarize within their report the expected impact of each recommendation they elect to put forward. We would encourage the Taskforce to focus on actions that would improve the long-term supply and mix of industrial and employment lands within the region and to avoid utilizing rigid regulatory recommendations.

Given the numerous outstanding concerns, we would ask for additional and ongoing stakeholder consultation to ultimately ensure greater efficacy of the eventual recommendations and that any unintended negative impact of the proposed recommendations is mitigated in advance of publication.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jason Kiselbach'.

Jason Kiselbach
President, NAIOP Vancouver Chapter



Ref: 148680

April 27, 2020

His Worship Mayor George Harvie
Chair
Industrial Lands Strategy Task Force
Metro Vancouver Industrial Lands Task Force
Metrotower III, 4730 Kingsway
Burnaby, BC V5H 0C6

Dear Mayor Harvie:

As the Province of British Columbia's designate, I wish to thank all the members of the Industrial Lands Strategy Task Force, especially the Metro staff and the many contributors, who since 2018 have dedicated a considerable amount of their time and effort in a coordinated and collaborative effort to develop the final report of the Task Force.

The Province recognizes both the important role industrial land plays in supporting current and future economic activity across BC, and the specific challenges with land supply in Metro Vancouver. We appreciate the various perspectives put forward in the report on how industrial land can be successfully protected and optimized.

In particular, the Province recognizes the importance of Metro Vancouver's Regional Growth Strategy (RGS), which prioritizes protection of industrial land, and looks forward to continued engagement in the RGS update process. As a part of that process, the province encourages Metro Vancouver to consider taking a broader regional perspective which includes neighbouring regional districts and municipalities and the role that transportation infrastructure can play to support better integration and distribution of the benefits as well as the impacts of growth.

The Province also recently launched a new Economic Development Plan that will support the integration of the RGS and TransLink's Regional Transportation Strategy into broader cross-provincial planning, and emphasizes the critical role trade and industry in the Lower Mainland has for all of BC.

Staff from several ministries have reviewed the final draft and, while we have not prepared a detailed response to the report's recommendations, we look forward to continued engagement on the development of the industrial lands strategy.

.../2

Mayor George Harvie
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Finally, the COVID-19 pandemic has significantly disrupted lives and world economies. It is unclear at this time how the pandemic may impact investments and growth in the province in the short- to medium-term. Because many staff have been pulled away from their regular work to directly assist in the pandemic recovery efforts, some thought will have to be given to the timing of this work as well as other important strategic initiatives.

We look forward to continued engagement and exploring options for protecting and optimizing the use of industrial land.

Sincerely,



Ron Bronstein
Senior Executive
Major Investments and Corporate Initiatives Office