



CITY OF VANCOUVER

POLICY REPORT URBAN STRUCTURE

Report Date: June 26, 2007
Author: Kevin McNaney
Phone No.: 604.871.6851
RTS No.: 06805
VanRIMS No.: 11-2000-12
Meeting Date: July 10, 2007

TO: Vancouver City Council

FROM: Director of Planning, in consultation with the General Manager of Engineering Services

SUBJECT: Metro Core Jobs & Economy Land Use Plan: Issues & Directions

RECOMMENDATION

THAT Council adopt the *Metropolitan Core Jobs and Economy Land Use Plan: Issues and Directions Report*, contained in Appendix A, to guide further research and development of a Draft Metropolitan Core Jobs and Economy Land Use Plan.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

Guiding Principles: Economic Development in the City of Vancouver (2006)
Terms of Reference-Metropolitan Core Jobs and Economy Land Use Plan (2005)
Downtown Transportation Plan (2005)
Downtown District Interim Policies for New Residential (May 2004)
Central Business District 20 Year Land Supply Policy (1997)
Vancouver Transportation Plan (1997)
CityPlan (1995)
Industrial Lands Policies (1995)
Livable Region Strategic Plan (1995)
Central Area Plan (1991)

SUMMARY

The goal of the Metro Core Jobs and Economy Land Use Plan is to ensure that there is enough development and transportation capacity to accommodate future job growth and economic activity in the Metro Core. The study is now at a major milestone. *Step One-Understanding Yesterday and Today* and *Step Two-Projecting the Future* have concluded that we face a potential shortfall in job space capacity in the future. To address the shortfall, new possible policy directions for the Metro Core have been drafted during *Step Three-Issues and Directions* in a discussion paper entitled “Issues and Directions Report”, contained in Appendix A. The report identifies both overall policy directions and specific sub-area roles and policy directions that will be further developed in the *Step Four-Policies For Tomorrow*, leading to a draft Metro Core Jobs and Economy Land Use Plan.

PURPOSE

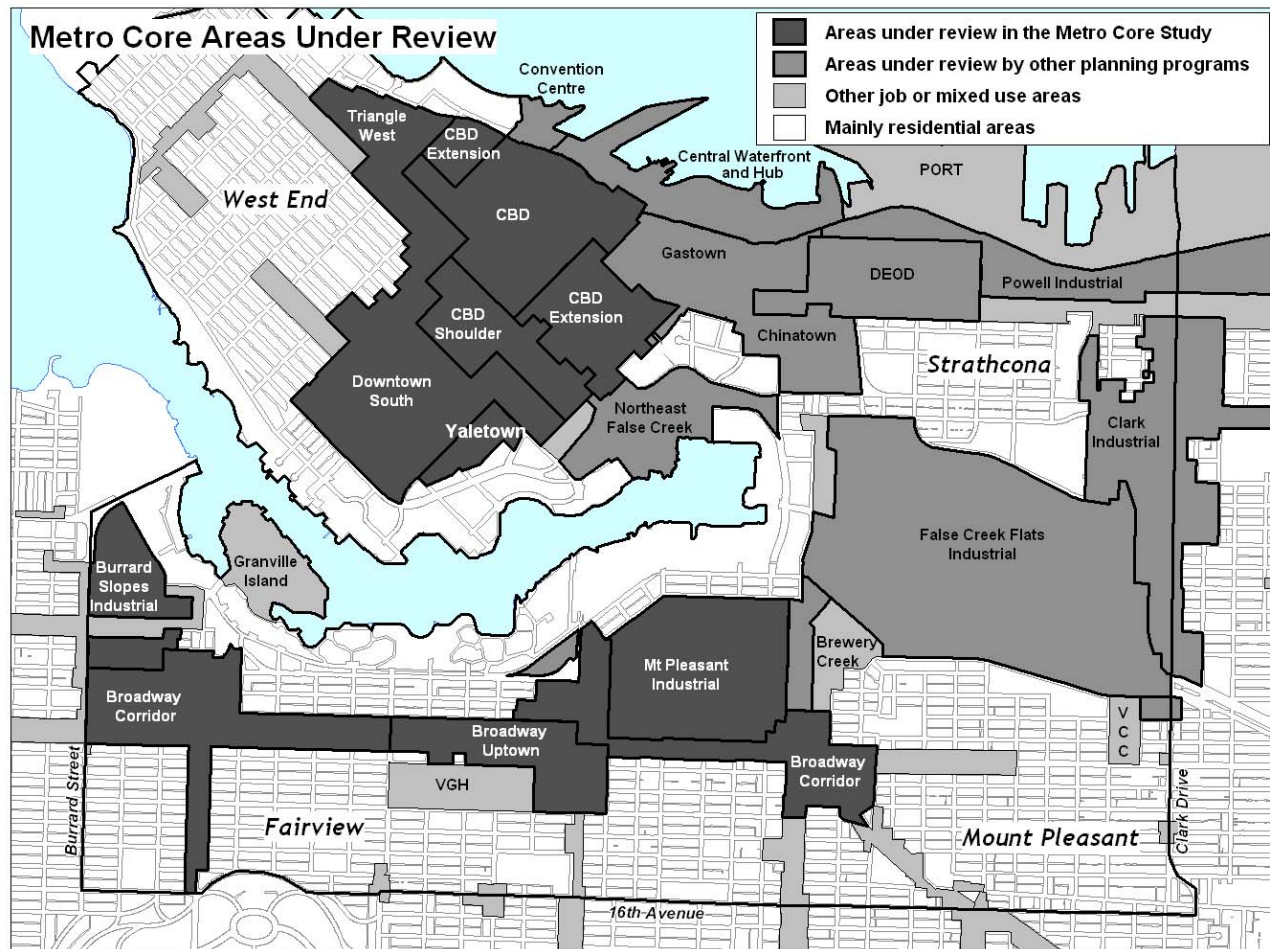
The purpose of this report is to outline the proposed overall policy directions, area policy directions and area roles for the Metro Core. These directions will guide the research and development of detailed policy options and recommendations for zoning changes that will form a Draft Metro Core Jobs and Economy Land Use Plan. The draft plan will be taken out for public consultation prior to Council consideration in the Fall/Winter.

BACKGROUND

The Metro Core Jobs and Economy Land Use Plan is a major planning initiative launched by Council in 2005 to develop a long term land use policy plan to accommodate the future economy and jobs in the Metropolitan Core of Vancouver. The Metro Core extends from 16th Ave north to Burrard Inlet, between Clark Drive on the east and Burrard Street on the west.

The Metro Core has over 220,000 jobs (2001) and is the largest concentration of jobs and office space in the region. The Metro Core accommodates 2/3 of the jobs in the city, and has approximately twice as many jobs as any other Lower Mainland municipality in its entirety. The result is that the Metro Core is the region's business and cultural centre, with a high concentration of the professional and business services that one would expect as Greater Vancouver's “downtown”.

This vision of the Metro Core as a diverse, economically vibrant, sustainable and competitive business and cultural centre has been affirmed at the regional level, through the Livable Region Strategic Plan, and at the city level, through policy such as CityPlan and the Guiding Principles for Economic Development in the City of Vancouver. These policies affirm the desire to maintain the Metro Core as the predominant job and cultural centre in Greater Vancouver.



In the course of the Metro Core Study, a number of closely related issues have been identified by stakeholder groups and/or staff. While in most cases they don't fall directly within the scope of the Metro Core study, it is important to note how they are being addressed.

- **Economic Development.** The Vancouver Economic Development Commission is undertaking a business climate strategy to ensure Vancouver's competitiveness, particularly in exports, in the global economy (Metro Core staff meet frequently with VEDC staff to collaborate on any overlaps);
- **Housing Affordability.** A diverse, affordable supply of housing is key to ensuring that Metro Core employees can live and work in close proximity. Various city planning programs seek to enhance housing affordability including EcoDensity (although largely outside of the Metro Core) and the City's overall Affordable Housing Strategy;
- **Property Tax Policy and Tax Base Issues.** The City's Property Tax Policy Review Commission has been given a mandate by Council to review the current property tax system and recommend a long term policy for defining and achieving a "fair" distribution of the property tax levy and a strategy to enhance the stability and predictability of property taxes for individual properties;
- **Transportation.** Transportation access and choice of sustainable transportation modes are fundamental to the health of the local economy. Engineering Services is a partner in the Metro Core Study and is conducting transportation modelling of future land use

scenarios directly within the study, and exploring issues such as parking through other Engineering initiatives;

- *Heights, Bonuses, Transfer of Density and Public Benefits.* In many cases City objectives regarding affordable housing, heritage preservation, cultural amenities, and child care are met through rezonings that allow increased density and height, and in some cases a transfer of density. These amenities benefit businesses, employees, and residents. The question arises whether, while accommodating the need Metro Core identifies for additional commercial space, the bonuses and density transfers for public benefits will still be achievable. A review of overall capacity is underway. (Step 4 of Metro Core will be informed by its findings, and if accommodating commercial needs along with public benefit objectives will be a problem, staff will report back to Council on an initiative to look at new capacity options, include examining height and view cone limits. See Appendix C).
- *Port Planning and Expansion.* The city's deepwater port is a fundamental advantage to our local economy. The planning and expansion of this port is done under the authority of the Port of Vancouver. (The Metro Core proposed policy directions are supportive of the Port through land use policy for industrial lands.)

While all of these initiatives collectively seek to enhance the economic vibrancy of the area, the Metro Core Jobs and Economy Land Use Plan is fundamentally about ensuring that the zoning in the Metro Core is sufficient to accommodate job and economic growth, and that land use regulations are not an impediment to economic development.

It has been almost two decades since the research that led to the Central Area Plan land use policy, adopted in 1991 and implemented through various zoning changes. New residential neighbourhoods have developed successfully over the past sixteen years. Now, pressure is being felt to allow residential in areas that had been set aside for economic activities and to convert commercial buildings to residential. This presents challenges in ensuring we have appropriate land supply, zoning and transportation capacity for the future jobs and services that should be located in the Metro Core.

DISCUSSION

The Metro Core Jobs and Economy Land Use Plan is made up of four steps, culminating in the creation of a draft plan later this year. While the outcomes of Steps One through Three are briefly summarised below, the extensive statistics and analysis compiled thus far are assembled in comprehensive, accessible information sheets, backgrounders and newsletters on the project website, www.vancouver.ca/corejobs.

Metro Core Study: Steps One and Two

In *Step One-Understanding Yesterday and Today*, the study sought to understand the current situation and the evolution of the Metro Core over the past 25 years with regard to both economic activity and urban development and infrastructure. Key findings include:

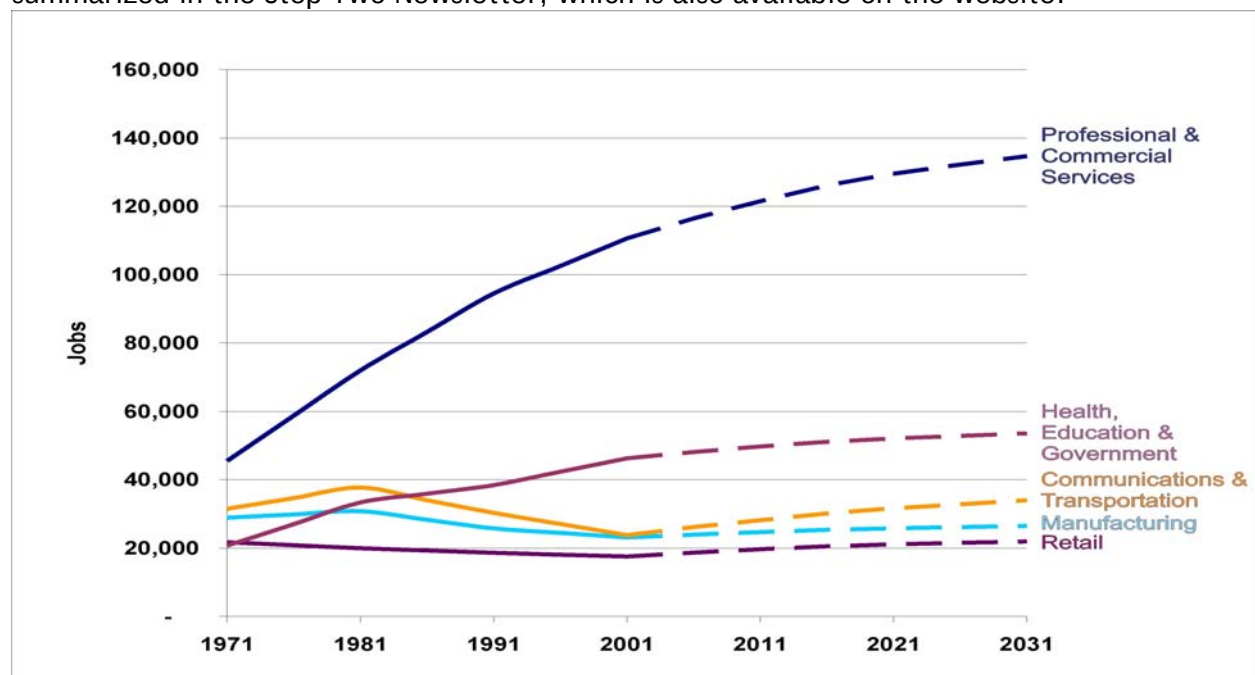
- The Metro Core plays a key economic role in a growing region;
- The Metro Core economy is growing, diverse, and changing; and
- All Metro Core areas have distinct job clusters, are diverse, and are growing and adapting to change.

These findings are outlined in detail in the Step One Information Sheets on the project website and summarized in the Step One Newsletter, which is also available on the website.

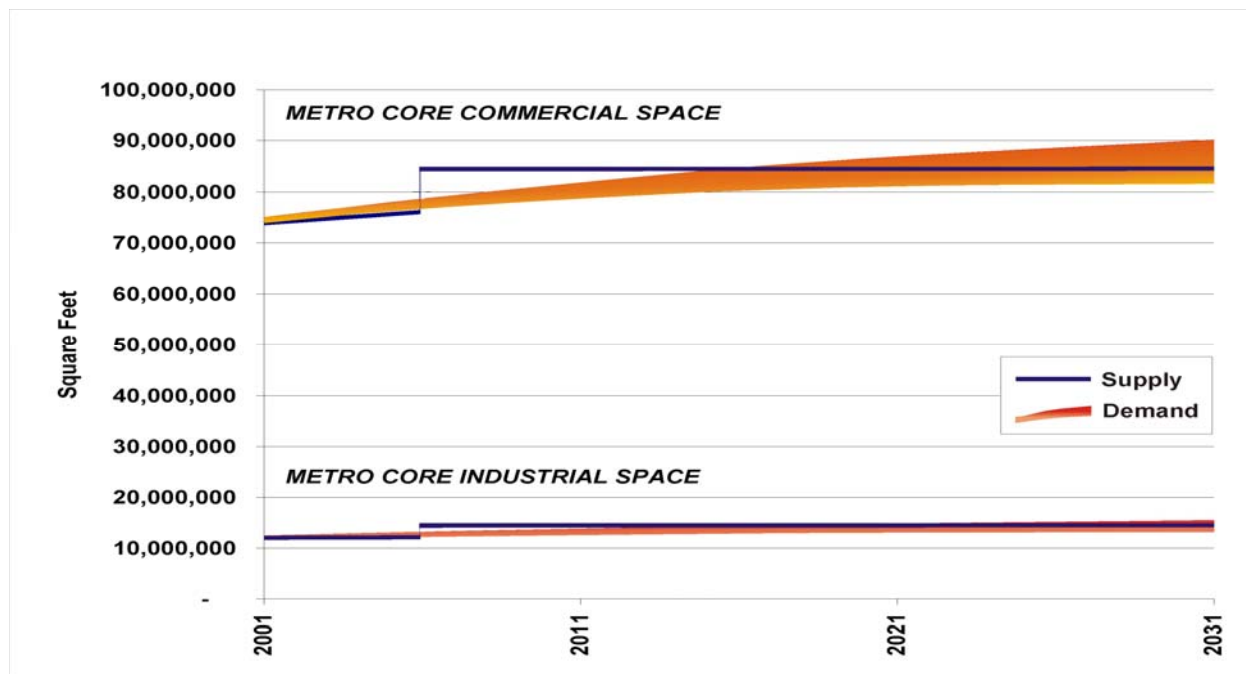
In *Step Two-Projecting the Future*, the study projected a range of futures for economic activity, demand for job space, and the realistic job space capacity under current zoning for the next 25 years (until 2030). Key findings include:

- Projections show continued and diverse job growth in the Metro Core;
- Current zoning in the Core can accommodate much of this job growth;
- However, in the longer term, demand for job space could exceed what current zoning could supply; and
- There are a number of ways to change zoning to ensure there is enough supply in the future.

These findings are outlined in detail in the Step Two Backgrounder on the project website and summarized in the Step Two Newsletter, which is also available on the website.



Before 2001, jobs in some economic sectors increased while others decreased, but looking into the future, projections show jobs increasing in all sectors (Source: Statistics Canada, 2001; Urban Futures Institute, 2003).



For the Metro Core as a whole, the demand for commercial and industrial job space could exceed the supply under current zoning. If and when the supply is exceeded depends on whether real demand is at the high or low range of the demand curve.

Metro Core Study: Step 3

The focus of *Step Three-Issues and Directions* is to set the stage for the development of a draft land use plan in *Step Four-Policies for Tomorrow*. The land use plan will identify the policy and zoning changes needed to accommodate future job and economic growth. The *Issues and Directions Report* is contained in Appendix A. It has also been available on the project website both as a full draft report and in a summary in a Step 3 Newsletter.

While the *Issues and Directions Report* provides more detail on the issues facing the Metro Core and explanation of area-specific issues, there are some overarching issues that have been uncovered through analysis and consultation to date. These include:

- *Need for More Commercial and Industrial Job Space.* The projections show that current zoning cannot accommodate the future demand for commercial and industrial job space. More zoning capacity will need to be created.
- *Need for diversity of job space.* The Metro Core needs a diversity of job space type, location and costs to meet the needs of a growing and changing Metro Core economy.
- *Office/Commercial Development Cycles.* The development of large office buildings is a capital intensive process that balances risks of lease rates, vacancy rates, construction costs, amount of pre-leased space, and other factors. This development cycle historically occurs on the 5-7 year scale in Vancouver where a substantial amount of space comes on the market, followed by a lack of building for a number of years as absorption occurs. This is markedly different from the shorter development cycles for residential.
- *Residential as the market's "highest and best use".* In the current market residential values can outbid any other land use, including office and other commercial. From a

job space perspective, where residential use is allowed in job areas the land values increase, which tends to make any non-residential development less viable. This principle also holds true in industrial areas.

- *The Role of Mixed Use Buildings and Sites.* The difference between development cycles and land values for residential and commercial means that the roles and locations of mixed use buildings and sites needs to be carefully assessed. Some developers argue that mixed use residential and commercial buildings are necessary for the creation of additional job space by leveraging the strength of the residential market. Others feel allowing mixed residential/commercial in major office districts like the CBD inhibits or displaces commercial development.
- *Protection of Industrial Lands.* The industrially zoned lands in the Metro Core are important to support the production, distribution and repair (PDR) role of the local economy, and to generate export revenue. These lands are also key to supporting the Port. The firms that locate in these areas tend to need lower land values and/or different building types, and often their operations are incompatible with residential. Projections show the demand for industrial land will remain high in the Metro Core, with a potential shortfall in capacity by 2030 or sooner.

The policy directions presented in the *Issues and Directions Report* (Appendix A) are intended to address these issues. In some cases this means affirming current area roles; in other cases new roles and policy directions are proposed. The proposals recognize competing demands for density to achieve other public objectives (e.g. bonusing for social or cultural amenities), the need for a “safety factor” that allows for normal market functioning, and the uncertainty of the job space demand and supply projections.

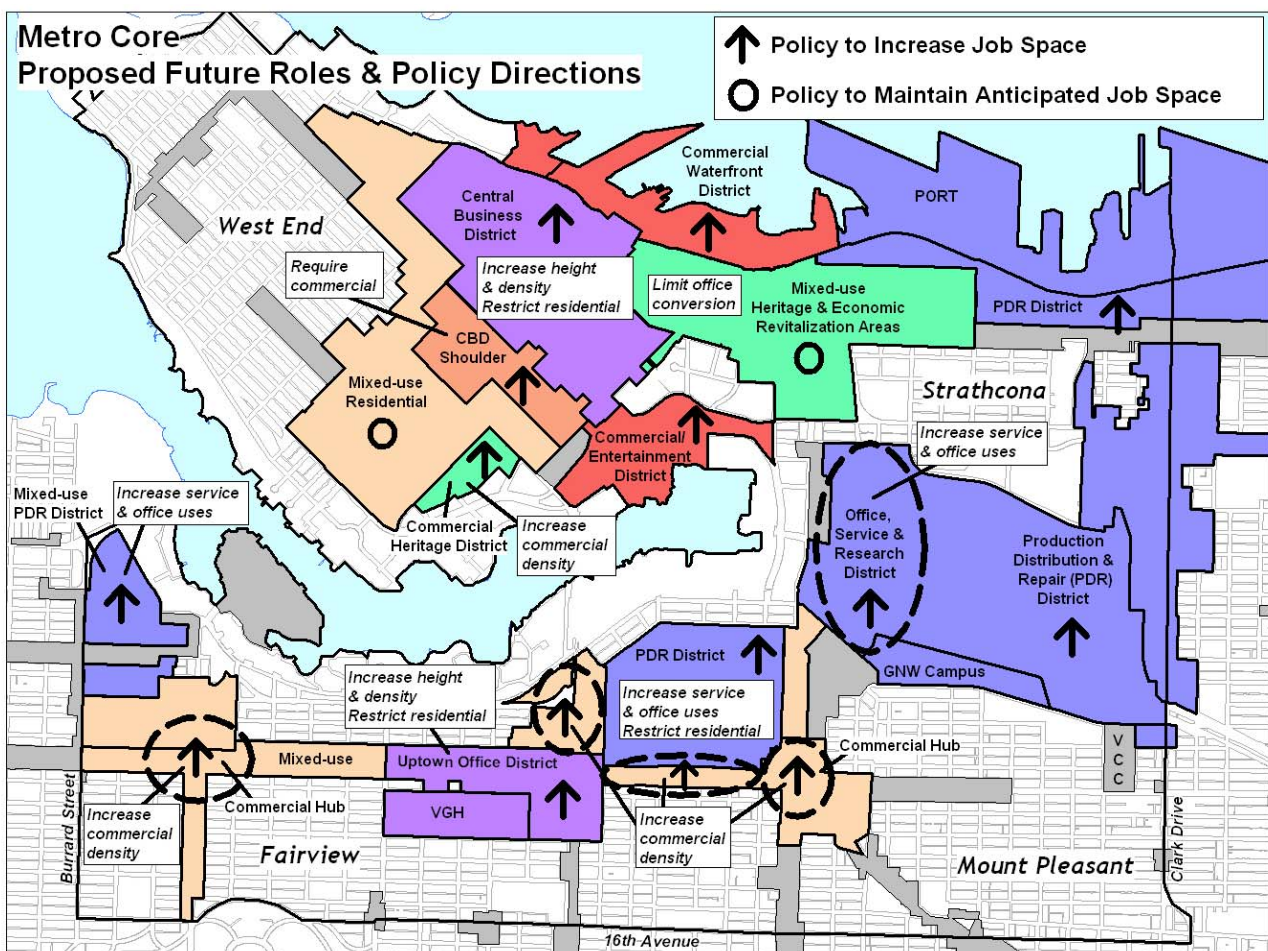
These policy directions will be explored in more detail in Step 4, to develop a draft land use plan, and will need to be evaluated for their effectiveness in creating additional job space and meeting other City objectives. Some of these policy directions will be pursued directly through the Metro Core Jobs and Economy Land Use Plan, others will be pursued in collaboration with other planning programs, such as False Creek Flats planning process.

There will also be significant consideration of any transportation implications resulting from the proposed land use changes in Step Four. Engineering Services has been a key partner in the Metro Core Study since the outset and has provided guidance on existing and planned future transportation capacity. Engineering will be doing extensive transportation modelling in the next several months to evaluate various future land use scenarios created within the Metro Core Plan. This evaluation is fundamental in ensuring that transportation capacity exists to support any changes in job space, and that sustainable transportation options such as walking, cycling and transit remain available to employees, customers and residents.

Although further refinement and testing is required to get to the detailed policy options in Step 4, the Metro Core team has done some preliminary calculations and is confident that the implementation of these policy directions will provide enough job space capacity in the zoning to meet the City’s job space demands for the next 25 years, and will leave opportunity for additional job space beyond the 25-year projections. The policy directions also create a diversity of job space by providing opportunities to meet some of the demand for commercial and office development in areas outside of the central business district and the downtown peninsula.

Map 1 provides an overview of the proposed future roles for each of the job areas within the Metro Core, and illustrates how the policy directions undertaken in the Metro Core study will affect existing job space policy and trends. Some general notes to consider when reviewing Map 1 include:

- Areas with up-arrows are where the policy directions proposed in this document intend to increase the amount of job space beyond what was projected to be available in 2030 under existing zoning;
- Areas with circles are where the amount of job space is forecast to decrease from 2006 levels, generally because Council policy calls for residential, mixed use or “choice of use” to meet public objectives such as providing housing and retaining heritage. Even with these changes, significant job space will remain in these areas by 2030 (e.g. most retain approximately 80% of the job space that was present in 2006). The proposed policy directions aim to protect the majority of job space in these areas and to compensate for any loss through increases in other areas;
- The growth in job space has been directed toward areas that are well-served by public transit. Although the current and future transit stations have been omitted from Map 1 for ease of reading, they are displayed on each of the area maps in the *Issues and Directions Report*;
- The text on various job areas is only intended to give a brief indication of the intent of the policy directions. More detailed information is contained in each of the area role and directions sheets in the *Issues and Directions Report*.



Map 1: Metro Core: Proposed Future Roles and Policy Directions. Proposed policy directions for various job areas are enclosed in white boxes. Up arrows indicate a potential increase in job space beyond what is expected under current zoning. Grey areas represent other job or mixed-use areas that are not under review.

As per the Terms of Reference, public consultation has been an integral component of the Metro Core Study. The comments and issues from this consultation have been fundamental in shaping the development of the *Issues and Directions Report* (Appendix A). Public consultation will continue to be extensive throughout the formulation of more detailed policy options leading up to the draft plan.

Consultation throughout the study has included:

- The project website;
- Newsletters summarizing findings of each step of the study (advertised in local newspapers and posted on the website);
- A listserve with 350 members who receive all outputs, including the *Issues and Directions Report* (as well an invitation to provide comments to staff and City Council);
- Public open house in January 2007 at the Vancouver Public Library where approximately 250 people reviewed Step One and Two findings and offered suggestions for the policy directions in Step Three;
- Meetings with stakeholder groups. The Metro Core Study has also consulted extensively with approximately 30 individual stakeholder groups in business, transportation and industry organisations by attending their meetings at key points in the study for presentation and discussion. These organisations represent a wide range of economic interests and industries in the Metro Core including the Board of Trade, Urban Development Institute, and the National Association of Industrial and Office Properties (NAOIP). It has also involved smaller organisations such as SmartGrowth BC and various Business Improvement Associations (BIAs). Contacts for these groups are also part of the project listserve. A complete list of the groups who have been consulted is contained in Appendix B.; and
- The Metro Core Advisory Group, as described below.

The Metro Core Advisory Group consists of approximately 30 representatives of diverse business and industry groups who have volunteered their time to provide advice to help shape the plan. The members were carefully selected to represent the wide diversity of industry in the area, as well key business associations and transportation interests in the Metro Core (see Advisory Group members list in Appendix B).

The Advisory Group has met three times up to this stage in the Metro Core Study. The first two meetings were to discuss the findings of Step One and Step Two, and to garner advice as to whether the data were an accurate picture of the past and future jobs and economy in the Metro Core. In both instances, the Advisory Group was generally supportive of the work and provided commentary that helped to shape the subsequent research and policy.

At the most recent meeting, the Advisory Group was presented with the overall policy directions and maps from the *Issues and Directions Report* before the draft report itself was completed. The Group was asked to pose questions and comments to staff, and to participate in group discussion to better understand the content and concerns that may arise. This input helped to shape the final draft of the *Issues and Directions Report*. Shortly after that

meeting, the Advisory Group members were provided with full copies and asked to review the draft *Issues and Directions Report* individually, with their respective organisations, over a three week period. They were then invited to provide written comments to staff and Council. The written comments received as of June 26 are contained in Appendix B.

The Metro Core Study will continue to consult extensively with the public, business and economic organisations and the Advisory Group through to the completion of the Draft Metro Core Jobs and Economy Land Use Plan.

FINANCIAL IMPLICATIONS

There are no financial implications of this report to the City's operating budget.

CONCLUSION

The Metro Core Jobs and Economy Land Use Plan seeks to ensure that there is sufficient job space within the City's zoning to allow for job and economic growth over the next 25 years. The *Issues and Directions Report* (Appendix A) sets out suggested policy directions that will be explored in further detail, prior to the completion of a draft plan for public consultation and Council deliberation in late 2007.

* * * * *



ISSUES AND DIRECTIONS REPORT

Step Three: Issues and Directions
DRAFT #3

Metropolitan Core Jobs & Economy Land Use Plan

This document is in draft form for discussion and public consultation. It has not yet been considered or approved by City Council.

Contents

- 1.0 Introduction & Overview
- 2.0 Metro Core: Overall Policy Directions
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 - 3.2 Job Areas Under Review in Other Planning Programs in Collaboration with Metro Core Jobs and Economy Land Use Plan

1.0 Introduction and Overview

The Metropolitan Core Jobs and Economy Land Use Plan is a major review of land use needs in the Metro Core over the next 25 years. The goal is to ensure that there is enough land supply – and transportation capacity – for future job growth. This study was initiated to ensure that the successful development of new housing over the last several years will continue to be balanced with space to accommodate new jobs.

The Terms of Reference for the study describe four steps (Terms of Reference available at www.vancouver.ca/corejobs). This report focuses on Step 3, identifying issues and challenges uncovered through the study, describing overall policy directions for the Metro Core as a whole, and outlining some future roles and policy directions for individual job areas with the Metro Core. If approved by Council, these policy directions will be further refined in Step 4 into detailed policy options that are consistent with other Council-approved policy.

Vision for the Metro Core

There is substantial policy at the city and regional level that sets out a clear vision for the Metro Core (Central Area Plan, Livable Region Strategic Plan, Vancouver's Economic Development Principles, CityPlan, etc.) This policy context affirms the Metro Core's role as the region's "downtown" with the following characteristics and roles:

- Business and cultural centre of the region
- Diverse economy
- Sustainable
- Competitive
- Jobs close to home for city residents
- Alive downtown where people live, shop, play and work
- Where transportation favours transit, walking and cycling.

The policy directions proposed in this report seek to affirm and enhance this role for the Metro Core by ensuring that there is adequate job space for future economic growth and vitality. While this initiative is specifically a land use plan, there are other City initiatives that address some of the other issues related to future job growth and economic vitality in the Metro Core. These include:

- Property Tax Policy Review Commission
- EcoDensity (generally outside the Metro Core)
- Waterfront to False Creek Flats Rail Grade Separation Study
- Port Development and Planning (through the Port of Vancouver)
- Vancouver Economic Development Commission – Economic Strategy
- Parking Study
- Future Travel Demand Modelling and Analysis
- City's Affordable Housing Strategy

Metro Core Economy Yesterday and Today

Step 1 of the Metro Core study looked at the Metro Core economy today and at the trends over the past 30 years. Three key highlights are:

- The Metro Core plays a key economic role in a growing region.
- The number of jobs in the Metro Core has been growing; jobs are diverse across economic sectors; and
- The economy is changing and adapting to reflect broader economic trends.

Detailed information on Step One findings can be found at: www.vancouver.ca/corejobsresearch

Future Projections

Step 2 of the Metro Core study looked into the future. Key findings are:

- Projections show continued and diverse job growth in the Metro Core.
- Current zoning in the Core can accommodate much of this job growth.
- However, in the longer term, demand for job space could exceed what current zoning could supply.
- There are a number of ways to change zoning to ensure there is enough supply in the future.
- An adequate supply of job space for the future is needed to allow the land and leasable space markets to operate effectively.

The basis for these findings was a comparison of the space demands generated by job growth, with the supply of space anticipated to be provided under current zoning.

The job growth for the Metro Core projected to 2031 will create a demand for new offices, hotels, stores, warehouses and other buildings. Staff and consultants estimated the job growth in all sectors, and determined which would be accommodated in commercial space and industrial space.

The amount of space needed depends on:

- the percent of people who will work at home in the future; and
- the amount of space required per worker.

The space needed is shown in Figure 1 as a range to reflect different possibilities.

The other side of the coin from demand for space is how much job space can be built: the supply. To estimate supply, the analysis looked at what the zoning allows and how the zoning is actually used. Where the zoning permits mixed-use developments, staff looked at long term trends to determine how much commercial space could be expected. Where the zoning permits industrial uses, new developments usually provide less space than the maximum amount permitted. Staff also considered building age, ownership patterns, and other factors to determine potential supply on sites interpreted to be available for redevelopment over the next 25 years. This analysis was verified with a group of 35 commercial brokers from various large firms to ensure that the potential supply was reasonable.

Figure 1 compares the demand for job space with the potential future supply of job space under current zoning for the Metro Core as a whole.

For the Metro Core, the potential supply of job space under current zoning (indicated by the flat line) falls within the future demand for job space (indicated by the demand range in the curve). However, this comparison shows that there may be a shortage of commercial and industrial space over the next 30 years, depending on whether demand is high or low. For the downtown peninsula, the projections show that there will likely be a shortage of job space in the shorter term.

Detailed information on Step 2 findings can be found at

www.vancouver.ca/corejobsstep2report

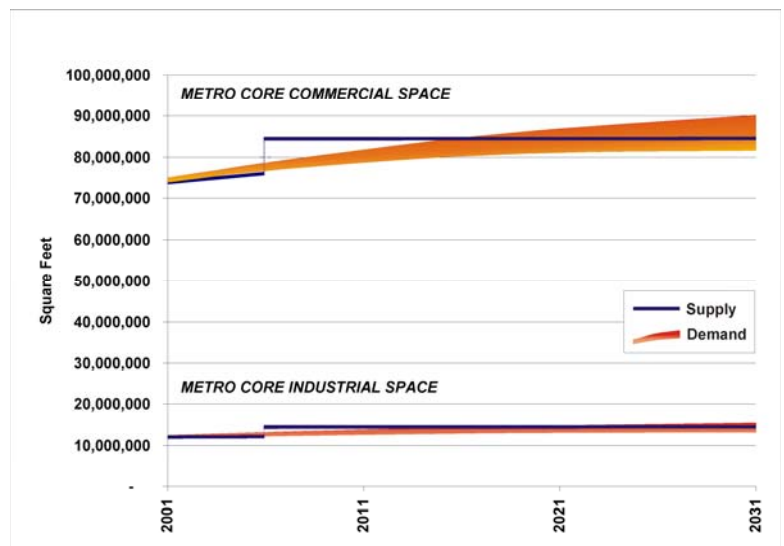


Figure 1: For the Metro Core as a whole, the demand for commercial and industrial job space could exceed the supply under current zoning. If and when the supply is exceeded depends on whether real demand is at the high or low range of the demand curve.

Issues and Policy Directions

Current policy is expressed at a high level in the 1991 Central Area Plan, and at a more detailed level in various regulations and guidelines. While the high level policy framework of the Central Area Plan remains relevant, the issues raised by Step 2 of this study show the need to more actively protect and increase job capacity through changes to the more detailed regulations and guidelines. The policy directions in this report (Step 3) outline the nature of these changes in order to set the stage for their more detailed development in Step 4.

These policy directions will be explored in more detail in the remainder of Step 3 and Step 4, and will need to be evaluated for their effectiveness in creating additional job space and meeting other City objectives. Some of these policy directions will be pursued directly through the Metro Core Land Use Plan, others will be pursued in collaboration with other planning programs. They will also be considered in light of modelling underway in the study to evaluate transportation, transit, and parking issues. The evaluation criteria against which the policy directions will be evaluated include:

- Development feasibility
- Effectiveness in providing job space
- Jobs – residents balance
- Urban design
- Transportation objectives
- Land use compatibility
- Heritage
- Supportive of longer term job space needs (beyond 25 years)
- Affordable housing
- Cultural facilities
- Sustainability
- Regional economic goals and planning
- Neighbourhood character and vibrancy
- Availability of public amenities, facilities and services

The policy directions presented in the remainder of this report are intended to accommodate the future job space demand for economic growth. In some cases this means affirming the current roles and policies and in other cases new roles and policies are proposed. In addition, the policies recognize competing demands for density to achieve other public objectives (e.g. bonusing for social or cultural amenities) and the need for a “buffer”, or excess capacity, that allows for normal market functioning and the uncertainty of the job space demand and supply projections.

Although further refinement and testing is required to get to the detailed policy options in Step 4, the Metro Core team has done some preliminary calculations and is confident that the implementation of these policy directions will provide enough job space capacity in the zoning to meet the City’s job space demands for the next 25 years. The policy directions also create a diversity of job space by providing opportunities to meet some of the demand for commercial and office development in areas outside of the central business district and the downtown peninsula.

Beyond 25 Years

The aim of this study is to ensure job space needed by 2031 will be available. Preliminary analysis shows that the policy directions could provide the job space capacity to allow future jobs to be accommodated on sites that would realistically be available for development during the next 25 years. To achieve this outcome some areas will require protection of these sites for future job growth and development cycles. The job space supply and demand balance will also need to be reviewed in the future to monitor changes in job space demand, and to account for new sites that may add to the supply as the building stock in the Metro Core ages (see above evaluation criteria).

The amount of residential capacity available for future population growth in the Metro Core is also an important consideration for the economy. The employees who are integral to economic growth in the Metro Core need diverse, affordable housing, as well as good jobs close to home. A recent analysis of population growth and the demand for housing shows that residential areas in the Metro Core have sufficient capacity within existing zoning to meet the demand for new residential space. As such, the Metro Core Team is confident that sufficient housing opportunities exist without adding additional housing to areas required to meet additional job space requirements.

Both the job space demands and the residential space demands will have to be reviewed periodically to maintain an appropriate job-resident balance.

2.0 Metro Core: Overall Policy Directions

Key Considerations

There are a number of considerations to keep in mind when reviewing the policy directions proposed in the remainder of this report. These include:

- The policy directions are intended for discussion and public consultation. They have not yet been considered by City Council;
- The policy directions are intended to reflect an overall intent. They will be tested and further refined into detailed policy options in Step 4 of the study before they become a draft Metro Core Jobs and Economy Land Use Plan for public consultation and Council deliberation;
- The policy directions are intended to be complementary to other City objectives around sustainable transportation, affordable housing, cultural amenities, heritage preservation, and any associated density bonusing; and
- Any proposed increases to densities and heights may not be outright but could be conditional based on City objectives

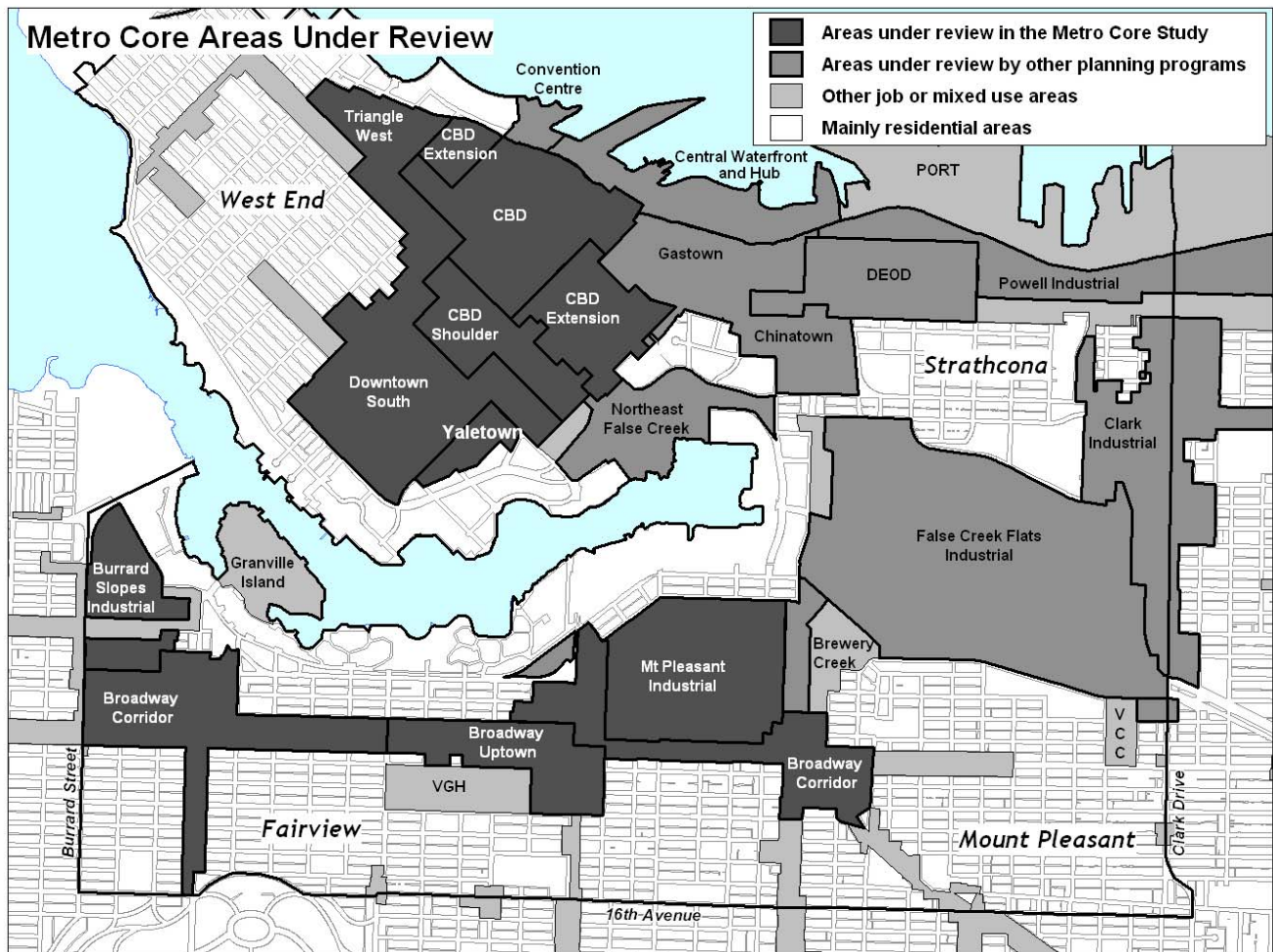
OVERALL POLICY DIRECTIONS

Metro Core Job Areas

Metropolitan Core Jobs & Economy Land Use Plan

The following overall policy directions are proposed for the job areas of the Metro Core. These directions affirm and further clarify the policy contained in the Central Area Plan, work in tandem with the policy directions and roles proposed for each of the individual job areas, *and will require changes to zoning or rezoning policy in the individual areas as detailed on the following maps.*

1. Affirm the Metro Core's role as the major employment and cultural centre of the region and ensure adequate job space for future job growth, while meeting other City objectives such as affordable housing, sustainable transportation, cultural amenity and heritage revitalization.
2. Ensure a diversity of job space type, location, and costs to meet the needs of a growing and changing Metro Core economy.
3. Support sustainable transportation objectives by focussing job growth in areas well-served by public transit, and by maintaining a balance between jobs and housing.
4. Explore parking strategies and standards that support sustainable transportation modes; visitor and business/customer needs; and re-use of existing industrial buildings.
5. Expand the Central Business District (CBD) by confirming the CBD extension areas as part of the CBD. Reinforce the CBD as the region's major compact, high amenity business and cultural district, centered on transit.
6. Establish that the priority in the CBD and Broadway Uptown districts is increased job space. Market residential development should not be permitted in these areas except in limited situations to achieve other City objectives such as heritage revitalization, affordable housing or cultural amenity. The commercial capacity of the site must be maximized before any market residential is considered.
7. Maintain significant potential for job space in job areas outside of the CBD and Broadway Uptown by pursuing opportunities for mixed-use residential/commercial buildings only when job space would be increased beyond the anticipated commercial capacity on the site. Appropriate job areas where mixed use could be used to achieve additional job space capacity include: Northeast False Creek; Central Waterfront and Hub; CBD Shoulder; Yaletown; Burrard Slopes; and the Broadway Corridor, outside of Uptown.
8. Throughout the Metro Core, discourage conversions of significant existing office space (e.g. ~50,000 sq. ft. or greater) to residential use. Develop appropriate policy regarding conversion of existing hotel space for various sub-areas and situations.
9. Provide a variety of opportunities for support services, including hotels, to continue to locate close to and within the CBD and emerging office districts in the Broadway corridor. Appropriate areas include: the CBD, CBD extension areas, mixed-use areas of Triangle West and Downtown South; Northeast False Creek; the Central Waterfront and Hub; and the Broadway Corridor, including Uptown.
10. Confirm the role of industrially zoned areas in the Metro Core as areas for production, distribution and repair (PDR) activities. Encourage the development of services and appropriate office use to intensify employment without displacing PDR functions. Restrict housing. The PDR areas include: The False Creek Flats; Powell Street and Clark Drive Industrial; Mt Pleasant Industrial; and Burrard Slopes Industrial.
11. Investigate live-work as an opportunity for flexible and diverse job space in areas where job space is not the primary consideration.



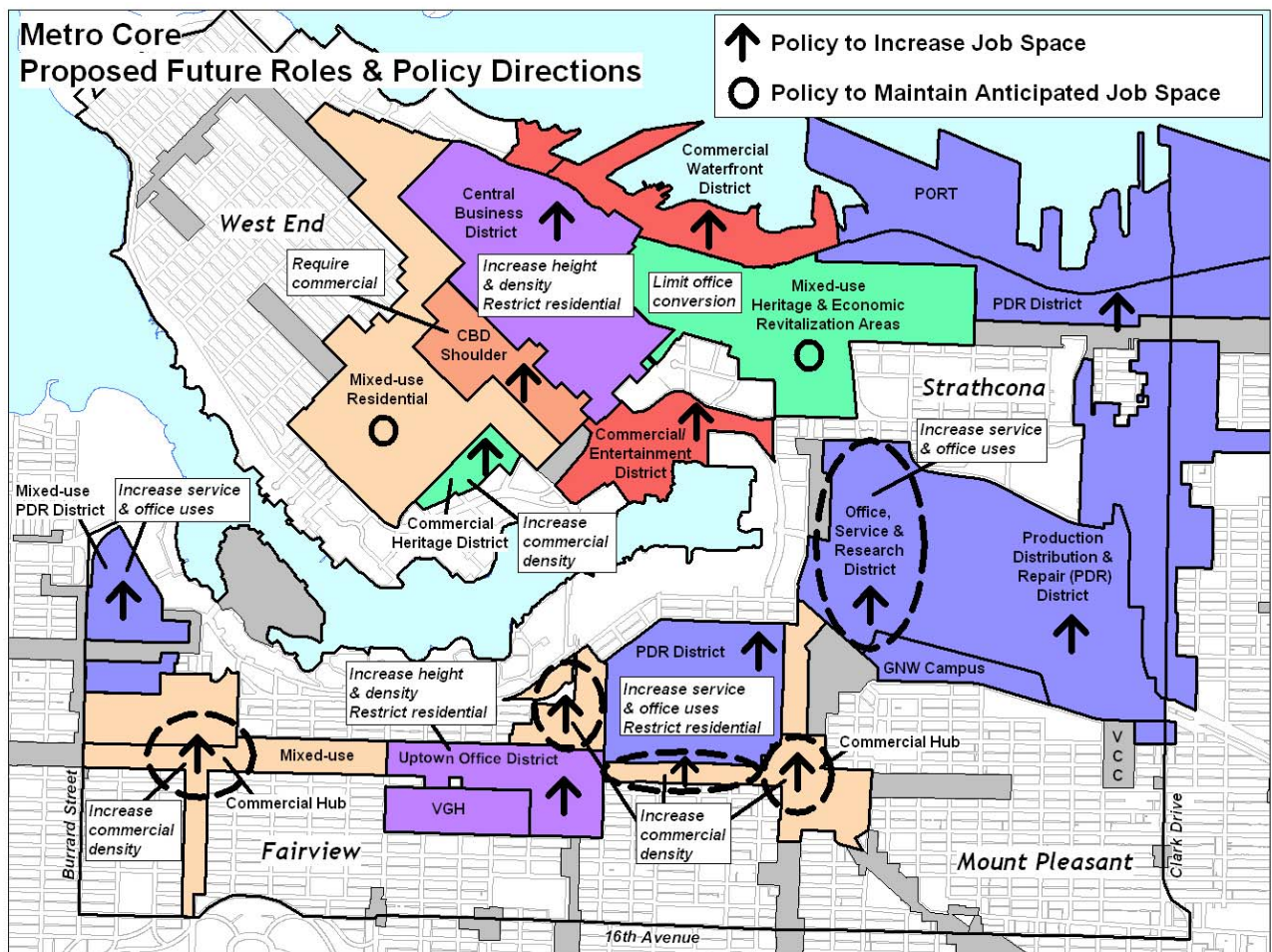
3.0 Metro Core: Job Area Roles and Policy Directions

The preceding overall policy directions and the subsequent area roles and directions outlined in the remainder of this report work in tandem to create an overall vision for the Metro Core and the individual job areas. These policy directions are intended to affirm or in many cases change existing zoning and policy to provide opportunities for the creation of additional job space to meet future demand until 2030.

Map 1 (next page) provides an overview of the proposed future roles for each of the job areas within the Metro Core, and demonstrates how the policy directions undertaken in the Metro Core study will affect existing job space policy and trends. Some general notes to consider when reviewing Map 1 include:

- Areas with up-arrows are where the policy directions proposed in this document intend to increase the amount of job space beyond what was projected to be available in 2030 under existing zoning;
- Areas with circles are where the amount of job space is forecast to decrease from 2006 levels, and the policy directions will not affect this change for various reasons. Potential reasons include a substantial amount of job loss due to residential conversion that has already taken place or is underway (e.g. various downtown mixed-use areas), or where job space is not the priority due to recent Council policy for revitalization (e.g. the Eastern Downtown Heritage Areas). This does not insinuate that there will not be significant job space in these areas, but rather that it is expected to decrease slightly by 2030;
- The growth in job space has been directed toward areas that are well-served by public transit. Although the current and future transit stations have been omitted from Map 1 for ease of reading, they are displayed on each of the area maps in subsequent sections of this report;
- The text on various job areas is only intended to give a brief indication of the intent of the policy directions. More detailed information is contained in each of the area role and directions sheets in subsequent sections of this report.

The remainder of this report is divided into two sections. The first focuses on those areas under review through the Metro Core Land Use Plan and, the second provides broad directions for those areas under review in other planning programs in collaboration with the Metro Core Land Use Plan. Each sub-area is described on one page which provides a brief depiction of the job area, some key issues and challenges, a proposed future role, and policy directions needed to get there.



Map 1: Metro Core: Proposed Future Roles and Policy Directions. Proposed policy directions for various job areas are enclosed in white boxes. Up arrows indicate a potential increase in job space beyond what is expected under current zoning. Grey areas represent other job or mixed-use areas that are not under review.

3.1 Areas Under Review Directly Through The Metro Core Jobs and Economy Land Use Plan

CENTRAL BUSINESS DISTRICT (CBD)

Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Central Business District is the region's premier business and cultural district. It is richly served by local and regional rapid transit, and surrounded by significant and diverse residential neighbourhoods. This extensive mix of businesses and services provides vibrancy to the area and allows for the face-to-face interaction that is fundamental to business viability.

Opportunities and Challenges

- While policy permits residential only for heritage and SRA retention, there continues to be inquiries for market residential in the CBD. Residential development may diminish the business environment of the CBD.
- The CBD can continue to provide a diversity of job space to support a wide range of head offices, small companies, new businesses and business-support services (e.g. hotels), many of whom have indicated that they would not operate in any other part of the Metro Core or City.
- The CBD is extremely well-served by public transportation, and a significant proportion of downtown residents are within a short walking/cycling distance from their jobs. This provides sustainable transportation options for employees and the large amount of job space provides significant ridership.



Future Desired Role

Strengthen and enhance the CBD as the region's premier business and cultural district by providing opportunities to increase job growth, enhance the public realm and supporting amenities, and improve access especially with transit. Hotels, restaurants, entertainment, retail, cultural venues and other business support services will also be encouraged.

Policy Directions to Explore

- Strengthen the primarily commercial character of the CBD by increasing permitted commercial density.
- Increase permitted commercial densities and heights. Review view cones, where necessary.
- Continue to prohibit market residential development except in limited situations to achieve other City objectives such as heritage revitalization, affordable housing or cultural amenity. The commercial capacity of the site must be maximized before any market residential would be considered.
- Encourage adequate number, diversity and location of hotel uses.

CBD EXTENSION AREAS

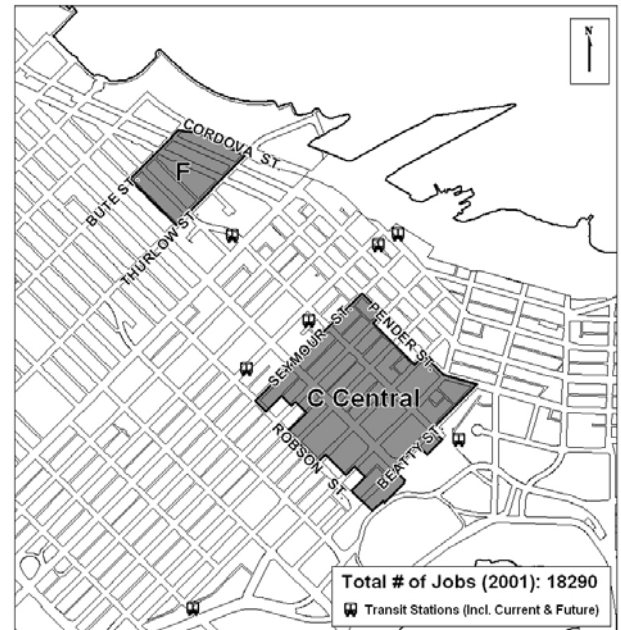
Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The CBD extension areas were designated in the 1991 Central Area Plan as the areas for future expansion of the Central Business District. Results of the Metro Core research show that these areas are needed for CBD expansion, including several cultural institutions in the emerging Cultural Precinct.

Opportunities and Challenges

- The zoning in these areas allows consideration of significant residential space. In response to many inquiries for largely residential development, Council enacted Interim Policies for New Residential in 2004, which limited the development of market residential pending the outcome of the Metro Core Study.
- There continues to be a significant number of inquiries for market residential development in the CBD extension areas. Land speculation for residential development is increasing land values, which could limit future commercial development.
- The CBD Extension areas are well served by major local and regional transit investment. Additional job space could help to meet the City's sustainability objectives by strengthening access to jobs by transit, walking and cycling, thus meeting sustainable transportation objectives.
- Most of the downtown peninsula's sites for major commercial (office) development (i.e. likely to be available over the next 25 years) are located in the CBD Extension areas. It is important to maintain and/or increase the commercial capacity on these sites for the long-term viability and expansion of the CBD.



Future Desired Role

Expand the CBD to include the extension areas (C Central and F) to ensure the availability of future commercial capacity for the contiguous expansion of the CBD's primary business and cultural functions.

Policy Directions to Explore

- Continue to prohibit market residential development except in limited situations to achieve other City objectives such as heritage revitalization, affordable housing or cultural amenity. The commercial capacity of the site must be maximized before any market residential would be considered.
- Increase permitted commercial densities and heights. Review view cones, where necessary.
- Encourage the development of cultural facilities.

CBD SHOULDER

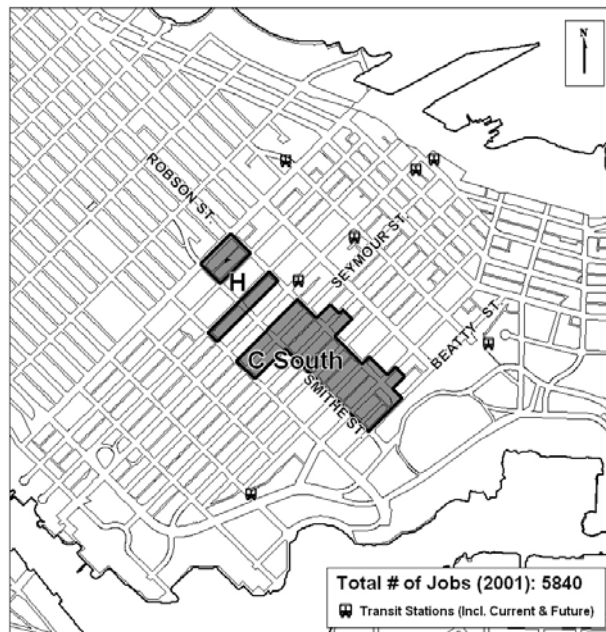
Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Central Business District Shoulder Area is located in the Downtown Core primarily between Smythe and Robson Streets. This area represents a transition from the largely residential and mixed-use areas of Downtown South, to the high intensity commercial uses of the Central Business District and CBD Extension areas.

Opportunities and Challenges

- The CBD Shoulder Area is a choice of use area and new development has tended to be primarily residential. However, there remain several key sites in area C-South with the potential for additional commercial capacity.
- In area C-South, the Council-approved Interim Policies for New Residential specify a minimum amount of commercial that must be provided in new developments.
- The CBD will expand toward the residential areas of Downtown South, including important business supporting activities such as entertainment, restaurants, hotels and cultural venues. As the CBD expands and surrounding residential neighbourhoods intensify, the CBD Shoulder area will be vital to providing services and jobs to area residents, and will create an appropriate transition between high intensity commercial and residential uses.
- The CBD Shoulder area is well-served by rapid transit and can support additional jobs and services.



Future Desired Role

Strengthen the role of the CBD Shoulder area as a transition between the CBD and residential areas of Downtown South by ensuring that commercial development is integrated with residential on the remaining development sites.

Policy Directions to Explore

- Require a minimum commercial density for new development in the CBD Shoulder area (for most of the CBD Shoulder this is a continuation of current policy).

YALETOWN

Area Role and Directions

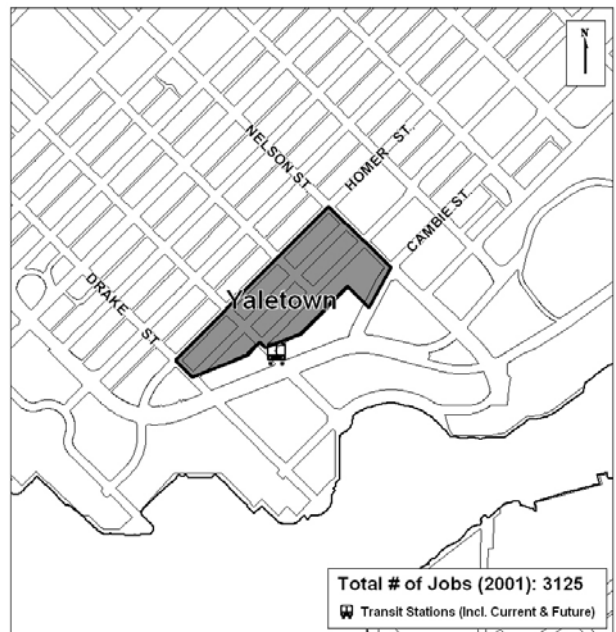
Metropolitan Core Jobs & Economy Land Use Plan

Yaletown was a former warehousing district that was converted to a mixed-use commercial/residential area beginning in the late 1980s. The area has a significant stock of heritage buildings, many of which are on the Vancouver Heritage Register and have been rejuvenated through heritage incentives.

There is a significant amount of commercial space in Yaletown, primarily consisting of retail, restaurant and character office space. The demand remains high for both retail and office space in the area.

Opportunities and Challenges

- The projections from Step 2 of the Metro Core Study show a projected loss of commercial space in Yaletown and other heritage areas over the next 25 years, primarily due to residential conversion of land and buildings. Current policy limits commercial density in Yaletown.
- Yaletown has a strong image and leasing profile for office, retail and restaurant use. The demand for diverse commercial space in character buildings will continue to be a draw for many sectors.
- The completion of the Canada Line will bring a rapid transit station to the heart of Yaletown. This infrastructure will help to support Yaletown business, and will provide workers in Yaletown with dramatically improved access. Local residents in surrounding mixed-use areas are also able to walk to employment opportunities in Yaletown.
- While Yaletown is surrounded by residents who provide a significant customer base for local business in the evening and weekends, office workers provide an important customer base to local businesses during business hours.



Future Desired Role

Strengthen Yaletown's role as a lower-scale, mixed-use heritage area providing alternative commercial space for creative, high tech and incubator business, as well as a key area for destination restaurant, retail and services.

Policy Directions to Explore

- Maintain a balance of commercial and residential uses by increasing permitted commercial density, where appropriate.
- Consider adding requirements for minimum job space provision when providing density bonuses for onsite heritage retention.

MOUNT PLEASANT PDR AREA

Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Mt. Pleasant Production, Distribution and Repair (PDR) Area is located near Broadway and Main Street in the South of False Creek area. It is primarily I-1 industrial/service zoning.

This area provides diverse space and lower rent compared to areas that permit extensive retail, office and residential uses. These characteristics attract key production, service and repair businesses that support the Metro Core economy. Some examples of these businesses in the Mt. Pleasant PDR area include: clothing manufacturing, food manufacturing, auto repair, architectural model building, digital printing, and recording studios.

Opportunities and Challenges

- The pressure continues to introduce residential and retail uses in the area. If allowed to proceed, land value and lease rate increases would displace existing industrial uses.
- Mt Pleasant PDR Area provides diverse building types and lower lease rates than can be provided in other residential or mixed-use residential/commercial areas of the Metro Core.
- The restriction on residential in the area provides a location for businesses that are incompatible with residential use due to noise, odour or operational disruptions (e.g. early or late deliveries).
- The introduction of some modest amounts of office and service use may help to intensify employment and meet the job space demands of the South of False Creek area and the Metro Core as a whole.
- Mt Pleasant PDR area is close to existing and future rapid transit stations on the Canada Line and Millennium Line extension.

Future Desired Role

Strengthen and enhance the Mount Pleasant Industrial area's role of providing centrally located, affordable production, distribution and repair space by providing opportunities to increase job intensity through modest amounts of office and service uses, without displacing light industrial functions.

Policy Directions to Explore

- Strengthen the primarily production, distribution and repair (light industrial) function of the area.
- Continue to prohibit residential uses.
- Increase the range of permitted service and office uses.
- Increase permitted office and service densities.
- Maintain the current restrictions on retail uses.
- Collaborate with the Mount Pleasant Community planning program on reviewing land use in the IC-2 zoning between 2nd and 7th Avenues along the west side of Main Street.
- Explore parking strategies and standards that support sustainable transportation modes; visitor and business/customer needs; and re-use of existing industrial buildings.



BURRARD SLOPES PDR AREA

Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Burrard Slopes Production, Distribution and Repair (PDR) Area is located between Burrard and Granville Streets in the South of False Creek area.

This area provides diverse space and relatively lower rent compared to areas that permit extensive retail, office and residential uses. These characteristics attract key production, service and repair businesses that support the Metro Core economy. Some examples of these businesses in the Burrard Slopes PDR area include: car repair shops, food manufacturing and catering, film and sound studios, architecture and design firms, and digital printing.

Opportunities and Challenges

- Current zoning in Burrard Slopes is primarily light industrial. A Council approved rezoning policy allows more commercial and service uses, as well as limited residential uses, to be considered on a site-specific basis.
- The introduction of some modest amounts of office and service use into the zoning may help to intensify employment and meet the job space demands of the South of False Creek area.
- Burrard Slopes PDR Area provides diverse building types and lower lease rates than can be provided in other residential or mixed-use residential/commercial areas of the Metro Core.



Future Desired Role

Enhance and strengthen Burrard Slopes PDR area's role of providing centrally located, affordable production, distribution and repair by providing opportunities to increase job density through additional office and service uses.

Policy Directions to Explore

- Strengthen the primarily production, distribution and repair (light industrial) function of the area.
- Allow limited residential development as per the Burrard Slopes Rezoning policy, with a focus on compatibility with light industrial and production, distribution and service uses.
- Maintain the current limits on retail uses.
- Increase the range of permitted service and office uses.
- Increase permitted office and service densities.
- Explore parking strategies and standards that support sustainable transportation modes; visitor and business/customer needs; and re-use of existing industrial buildings.

BROADWAY: CHOICE-OF-USE AREAS

Area Role and Directions

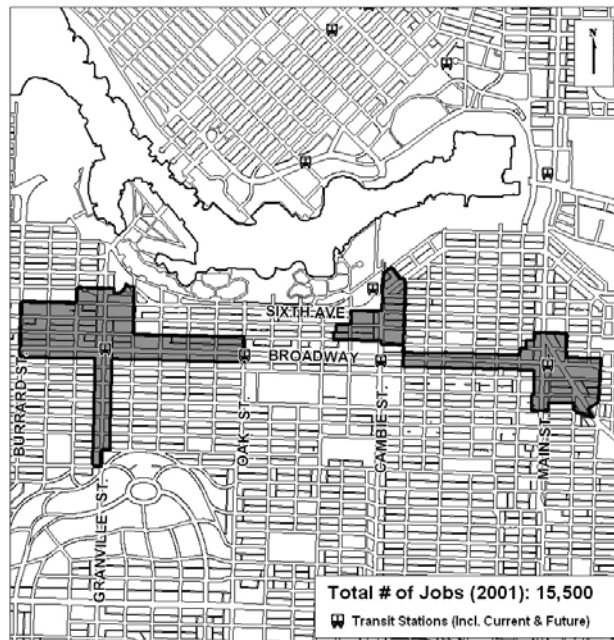
Metropolitan Core Jobs & Economy Land Use Plan

The Broadway Corridor Choice-of-Use Areas are located on a major transportation and transit arterial across a significant portion of the Metro Core. These parts of the corridor provide opportunities for housing and significant retail and services for surrounding neighbourhoods. They currently play an important role in contributing to the diversity of office space in the Metro Core.

As with other choice-of-use areas in the Metro Core, new developments in the Broadway corridor are primarily residential with retail on the ground floor. These new developments are often replacing older office space, which has an impact on the diversity and amount of commercial capacity in the Metro Core.

Opportunities and Challenges

- The projections from Step 2 of the Metro Core Study show a potential shortage of commercial space in the South of False Creek area over the next 25 years. This area may also need to accommodate some of the demand for job space that isn't accommodated in the Downtown.
- Mixed-use residential/commercial development can continue to be positive for the vibrancy of the area, but careful consideration will need to be paid to ensure that future commercial capacity is not inhibited by stratified market residential development.
- The area is already the crossroads of significant local and regional transit. While bus ridership is nearing the capacity along the Broadway corridor (with 60,000 passengers/ day), this area will benefit from significant transit improvements including the Canada Line (currently under construction) and the Millennium line extension (anticipated during the timeframe of the Metro Core study), which is fundamental to supporting any additional job growth.



Future Desired Role

Strengthen and enhance the commercial capacity in the 'choice of use' areas in the Broadway corridor by providing more opportunities for additional commercial capacity especially in areas that are, or will be, served by high capacity rapid transit.

Policy Directions to Explore

- Increase permitted commercial density.
- Create office and commercial hubs at Broadway and Granville, and Broadway and Main, by increasing commercial density, exploring increased height allowances, and/or placing new limits on permitted residential density.
- Strengthen the commercial character of the Cambie corridor, north of Broadway to 1st Ave. In the blocks on the west side of Cambie, create additional job space by increasing commercial density, exploring increased height allowances, and/or placing new limits on permitted residential density. In the blocks on the east side of Cambie, affirm the primarily commercial zoning and restriction on residential.
- Consider expanding job space on Broadway east of Cambie by increasing commercial density, exploring increased height allowances, and restricting residential uses.
- *The Metro Core Study Team will collaborate with the City's Mt Pleasant Neighbourhood Planning Team to identify and consider policy options that increase job space in the Broadway Corridor.*

BROADWAY: UPTOWN OFFICE DISTRICT

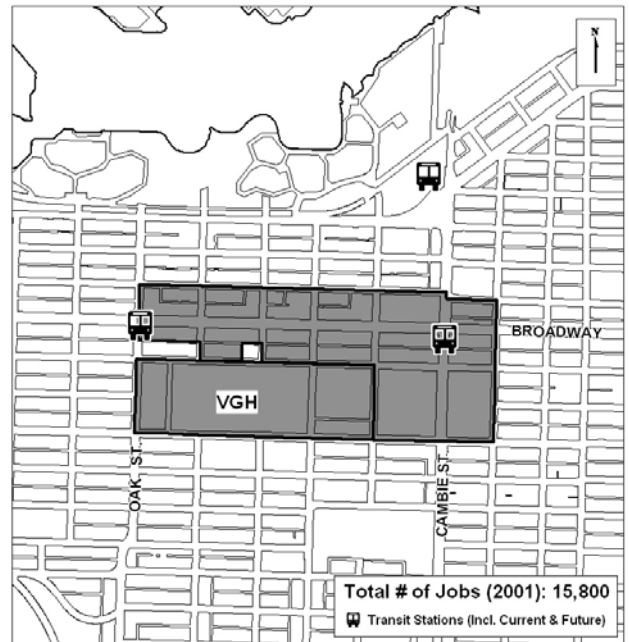
Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Broadway Uptown Office District is designated as the Metro Core's "second downtown" in the 1991 Central Area Plan, which calls for continued development of office space in the area. Uptown is the second largest concentration of job space in the region and contains major employers such as City Hall, the Vancouver General Hospital and an abundance of health-related offices and research facilities.

Opportunities and Challenges

- The projections from Step Two of the Metro Core Study show a potential shortage of commercial space in the South of False Creek area over the next 25 years. This area can also accommodate some of the anticipated shortage of job space in the Downtown.
- The area is already the crossroads of significant local and regional transit. While bus ridership is nearing the capacity along the Broadway corridor (with 60,000 passengers/day), this area will benefit from significant transit improvements including the Canada Line (currently under construction) and the Millennium line extension (anticipated during the timeframe of the Metro Core study), which is fundamental to supporting any job growth.
- The demand for job space in the Uptown Office District is expected to continue as a result of major investment in the Vancouver General Hospital and related facilities, and the expansion of rapid transit.



Future Desired Role

Affirm the Uptown Office District's role as a key office location within the region and strengthen this role by providing opportunities to increase commercial capacity to capitalize on current and future rapid transit investment.

Policy Directions to Explore

- Strengthen the primarily commercial character of Uptown by increasing commercial density.
- Increase height limits where appropriate for commercial development.
- Maintain policy to restrict residential uses in order to consolidate office and job space.
- Consider changing residential zoning along 10th Avenue to commercial.
- Consider adding requirements for minimum job space provision when transferring heritage density into the Broadway Corridor.

3.2 Areas Under Review Through Collaboration With Other Planning Programs

NORTH EAST FALSE CREEK

Area Role and Directions

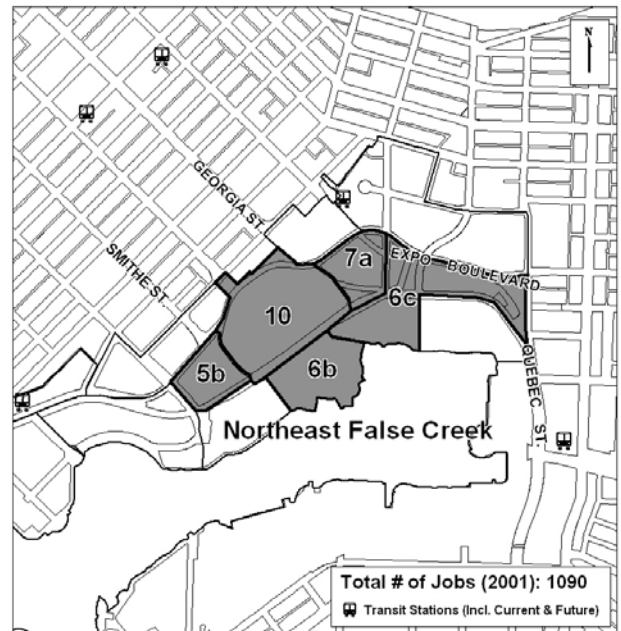
Metropolitan Core Jobs & Economy Land Use Plan

The North East False Creek Area is located in the Downtown Core and guided by the False Creek North Official Development Plan (FCNODP).

The sub areas of Northeast False Creek are the final remaining areas of the FCNODP that have yet to be developed (areas 5B and 6C), as well as the stadium sites, which also have additional and yet un-built commercial development allowances.

The False Creek North ODP contains approximately 1.7 million sq. ft. of commercial development allowances in Northeast False Creek. The False Creek North Land Use Policy- Special Event, Festival and Entertainment Functions (2005) protects the special event and festival function in Northeast False Creek. The policy states that commercial, retail, restaurant and hotel functions are generally compatible with special event and entertainment functions, and that residential should be limited.

In recognition of outstanding land use, circulation, and urban design issues, Council approved the Northeast False Creek High-Level Review planning program in May 2007.



Opportunities and Challenges

- Commercial development in North East False Creek could help meet the demand for commercial space on the Downtown Peninsula.
- There continues to be significant desire by landowners to have major residential development.

Future Desired Role

The future role of Northeast False Creek within the Metro Core will be determined as part of the Northeast False Creek High-Level Review planning program. It is expected that the Northeast False Creek area will have a significant commercial role in the Metro Core.

Policy Directions to Explore

The Metro Core Team will collaborate with the Northeast False Creek High-Level Review Team to identify and consider policy options that maintain or increase job space.

CENTRAL WATERFRONT AND HUB

Area Role and Directions

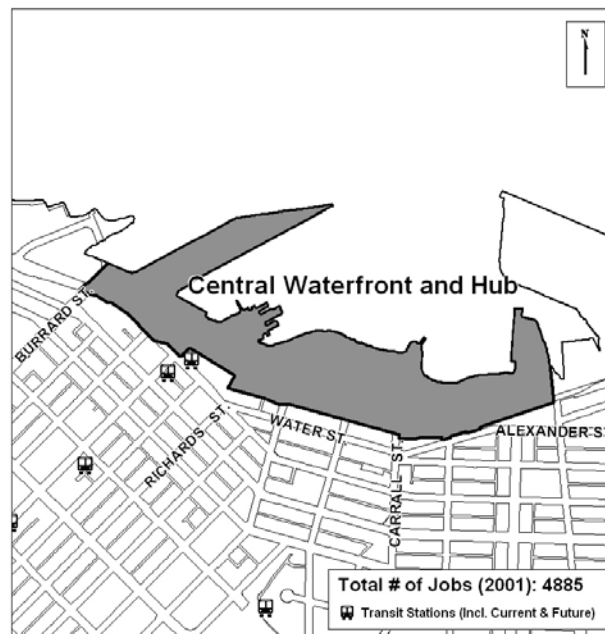
Metropolitan Core Jobs & Economy Land Use Plan

The Central Waterfront Area is located on the shore of Burrard Inlet in the Downtown Core. The western part of the area is fully developed with several large office towers and convention facilities. The balance of the area currently contains the major CPR rail yard serving the Port

The area is also a major transportation hub where various local and regional rapid transit systems (SkyTrain, SeaBus, West Coast Express, Helijet, etc) converge, including the new Canada Line.

In addition, a major sports stadium has been proposed for a site approximately where the Seabus terminal currently is located.

In light of these complex planning challenges, Council has recently approved the Central Waterfront Hub Study ("Hub Study") to create a detailed urban design and structure plan for the portion of the area between approximately Howe and Cambie street ends.



Opportunities and Challenges

- The area under consideration in the Hub Study has potential for the creation of much needed triple-A office space, given the proximity to the Central Business District, the waterfront views and the leasing profiles of recent office towers in the area.
- The Hub area is a prime location for office and job intensification from a transportation perspective. A significant amount of job space could help to meet the City's transportation objectives by allowing employees to travel to work by sustainable transportation modes, and to generate substantial transit ridership for the Hub.

Future Desired Role

The future role of much of the Central Waterfront Area will be determined through the Hub Study. Given the proximity to the Central Business District, it is expected that there will be a significant commercial role for the area, including a substantial office component.

Policy Directions to Explore

The Metro Core Team will collaborate with the Central Waterfront and Hub Area Team to identify and consider policy options that maintain or increase job space.

EASTERN DOWNTOWN HERITAGE AREAS

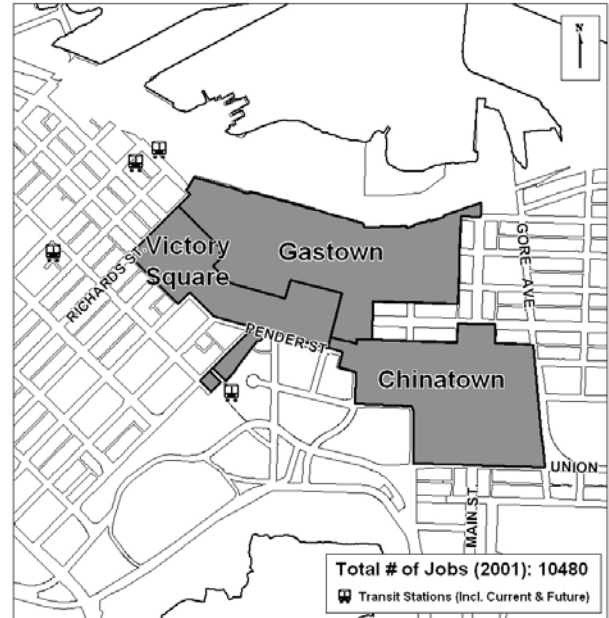
Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The Eastern Downtown Heritage Areas include Gastown, Chinatown and Victory Square. These areas have a significant stock of heritage buildings, many of which are on the Vancouver Heritage Register and have been rejuvenated through heritage incentives. The areas have a significant number of Single Room Occupancy hotels and non-market housing projects, which house low-income residents.

There is a significant amount of commercial space in the heritage areas, primarily consisting of retail, restaurant and character office space. These areas also have relatively low lease rates compared to other parts of the downtown, which make them attractive for smaller, start-up companies.

All these areas have recent Council-adopted planning policies or Visions with a focus on economic and heritage revitalization. In general they are “choice of use” areas, with residential and commercial permitted. The heritage programs that permit density bonuses and transfer of density are key tools. The market tends to favour residential use, but the area also houses local and regional serving retail, with character office space available for business.



Opportunities and Challenges

- The projections from Step Two of the Metro Core Study show a projected loss of commercial space in the Eastern Downtown Heritage areas over the next 25 years, primarily due to residential conversion.
- The areas are adjacent to the downtown core and the extensive public transportation of the Central Waterfront and Hub area (SkyTrain, Seabus, West Coast Express, etc). Job space in these areas can help to meet the City’s sustainability and transportation objectives by allowing employees to travel to work by sustainable modes, and having good access to the regional transit system.
- While the heritage areas have a growing number of residents who support local businesses in the evening and weekends, office workers provide an important customer base to local businesses during daytime hours.
- In cases where heritage rehabilitation is extensive, residential use is a more economically viable means to compensate than commercial use.

Future Desired Role

Council has recently adopted numerous plans and policies that clearly lay out the future of Eastern Downtown Heritage areas. These plans and policies call for retention of heritage buildings and character, as well as revitalization of the area as a mixed use residential/commercial precinct with increased job opportunities for local residents.

Policy Directions to Explore

- Explore options to prevent the conversion of significant office space to residential uses.
- *The Metro Core Team will collaborate with the local area planning programs, including the Chinatown Community Plan program, to identify and consider policy options that help to meet the objectives of Council-approved approaches to revitalization.*

DOWNTOWN EASTSIDE OPPENHEIMER

Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

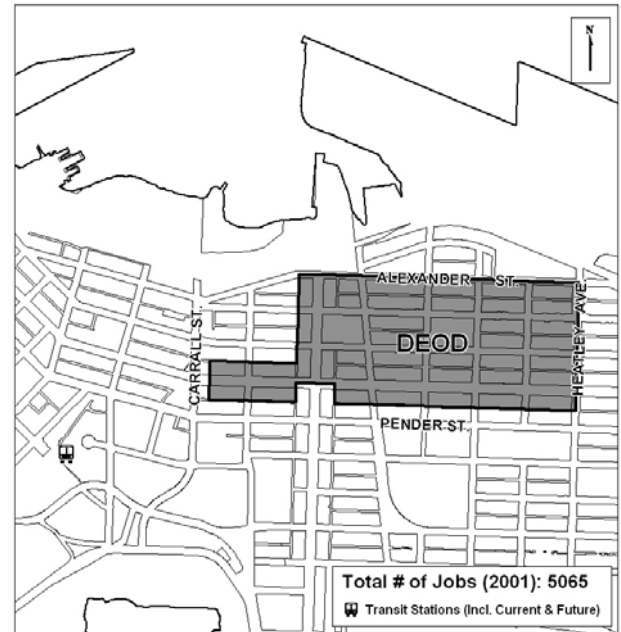
The Downtown Eastside Oppenheimer District contains a diverse mixture of retail, office, industrial, residential and institutional uses. There is also a significant stock of heritage buildings in the area. The area has a significant number of Single Room Occupancy hotels and non-market housing projects which house low-income residents.

Although the DEOD has socio-economic challenges, there is a significant number of jobs in the area in the manufacturing, retail, and institutional sectors.

Council-approved plans and policies focus on retention and replacement of low income housing, combined with market housing. However, policies also call for area revitalization to build on existing commercial and industrial activity to provide additional jobs for area residents.

Opportunities and Challenges

- The DEOD has a significant amount of office space in older, character buildings with relatively low lease rates. This building stock can make the area attractive for small and start-up firms that are looking for diverse, lower-cost space.
- Safety and security issues remain a concern for the community and local Business Improvement Associations, but area revitalization strategies are beginning to attract additional investment.
- The DEOD's proximity to the Port can provide additional job space for Port-related businesses that are growing with increasing international trade.
- Residential use will be a major component of future development, with the priority to retain and replace low income housing and to compliment this with affordable market housing.



Future Desired Role

Council has adopted policies for the DEOD district that focus on retaining and replacing low income housing, as well as economic revitalization.

Policy Directions to Explore

- *The Metro Core Team will collaborate with the Downtown Eastside planning program to identify and consider policy options that help to meet the objectives of Council-approved approaches to revitalization.*

2ND AVENUE CANADA LINE STATION

Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The City of Vancouver added an additional Canada Line Station (yet to be named) just south of False Creek near 2nd Avenue. The objective of the station is to provide transit options to the existing residential areas on the south shore of False Creek, the new residential area of South East False Creek and the significant number of jobs in the adjacent Mt Pleasant Production, Distribution and Repair (PDR) area.

City Council agreed to finance construction of the station with this investment recovered through subsequent development of the site. The development opportunity for the site will be secured through a Request for Proposals from qualified private sector partners.

Opportunities and Challenges

- The primary objectives of development on the site are to recover the costs of station construction and to garner a market return for the City's investment on the site. The additional station serves a public objective of ensuring additional business and resident access to rapid transit.
- The projections from Step 2 of the Metro Core Study show a potential shortage of commercial space in the South of False Creek area over the next 25 years. This 2nd Avenue Station could also help to accommodate some of the demand for job space that isn't accommodated in the Downtown.
- As the first Canada Line station across False Creek from downtown, the 2nd Avenue Station could be an attractive location for office space.



Future Desired Role

Council has approved the objective of using development to recover the costs of construction of the 2nd Avenue Station as a mixed-use development, noting that current zoning anticipates a priority for residential uses.

Policy Directions to Explore

- *The Metro Core Study Team will collaborate with the City's Real Estate Services and the Station Area Planning program to identify and consider policy options that increase the potential job space on the site.*

MAIN STREET: 2ND TO 7TH AVENUE

Area Role and Directions

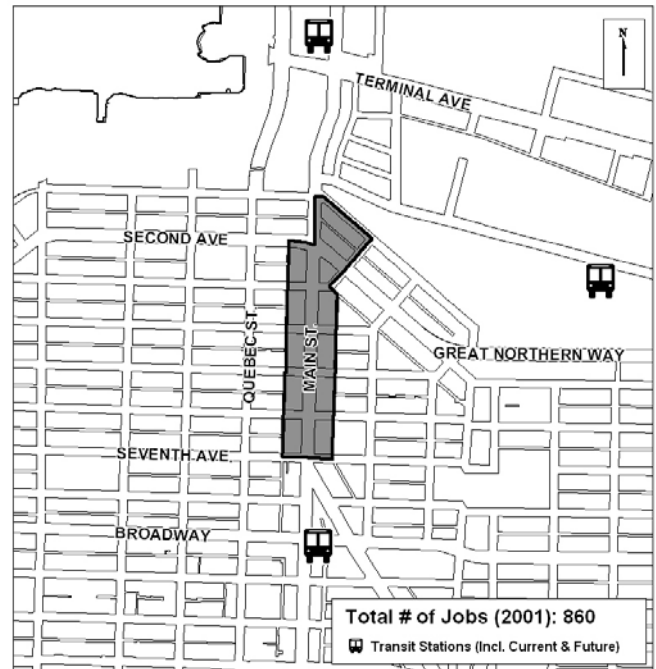
Metropolitan Core Jobs & Economy Land Use Plan

The area between 2nd and 7th on Main Street is a key link between the new South East False Creek neighbourhood (and Olympic Village) with the historic 'Uptown' shopping area at Main, Broadway, and Kingsway. The Mt Pleasant Production, Distribution and Repair (PDR) area is immediately to the west.

This area is currently characterised by low density commercial uses such as motels, car dealerships and repair businesses.

Opportunities and Challenges

- The projections from Step 2 of the Metro Core Study show a potential shortage of commercial space in the South of False Creek area over the next 25 years. This area of Main Street could also help to accommodate some of the demand for job space that isn't accommodated in the Downtown.
- The area is well served by current and future rapid transit and could support intensification of job space while providing sustainable transportation options for employees and customers.
- A commercial shopping and retail district could support both local residents as well as employees in the Mt Pleasant PDR area.



Future Desired Role

The Council-approved Terms of Reference for the Mt Pleasant Community Planning Program anticipates that this portion of Main Street will become a vibrant commercial and shopping district with a mixture of compatible residential uses.

Policy Directions to Explore

- *The Metro Core Study Team will collaborate with the City's Mt Pleasant Community Planning Team to identify and consider policy options that increase job space.*

POWELL STREET/CLARK DRIVE PDR

Area Role and Directions

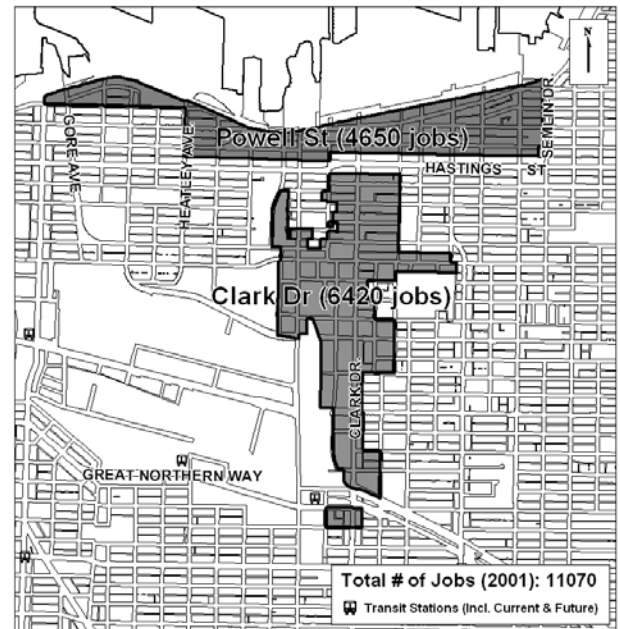
Metropolitan Core Jobs & Economy Land Use Plan

The Powell Street/Clark Drive Production, Distribution and Repair (PDR) Area is located in the Eastern Core. The southern portion of the area is zoned for general industrial uses. The northern portion adjacent to the Port is zoned for heavier industry. In addition, the Powell St. Area provides a land use transition between the Port and the residential neighbourhoods to the south.

This area provides diverse space and relatively lower rent compared to areas that permit extensive retail, office and residential uses. These characteristics attract key production, service and repair businesses that support the Metro Core economy. Some examples of these businesses in the Powell/Clark PDR Area include: clothing manufacturing, food manufacturing, auto repair, digital printing, and wholesaling.

Opportunities and Challenges

- There is continuing pressure to introduce market residential and retail uses in the area. These pressures could increase land speculation and lease rates, and affect existing industrial uses.
- The local Business Improvement Associations have expressed concerns around safety and security. There is an opportunity to increase investment in job space and the public realm through Council-approved revitalization strategies.
- The Powell/Clark Industrial Area provides diverse building typologies and lower lease rates than can be provided in other residential or mixed-use residential/commercial areas of the Metro Core.
- The restriction on market residential in the area provides a location for businesses that may be incompatible with residential use due to noise, odour or operational disruptions (e.g. early or late deliveries), particularly for the heavy industrial areas adjacent to the Port.
- The introduction of some modest amounts of office and service use may help to intensify employment and meet the job space demands of the Metro Core.
- While the smaller premises encourage new businesses, the aging building stock and limited re-investment present a challenge for those businesses to expand without having to relocate.



Future Desired Role

The Powell/Clark Industrial Area will continue to play a key production, service and repair role for the Metro Core economy. This role will be protected and enhanced by restricting market residential uses, and increasing job density through modest amounts of office and service uses, without displacing industrial functions. This role is consistent with the Council-approved Downtown Eastside Economic Revitalization Strategy.

Policy Directions to Explore

- *The Metro Core Study Team will collaborate with the Downtown Eastside planning program to identify and consider policy options that maintain or increase PDR job space, and meet the objectives of Council-approved approaches to revitalization.*

FALSE CREEK FLATS

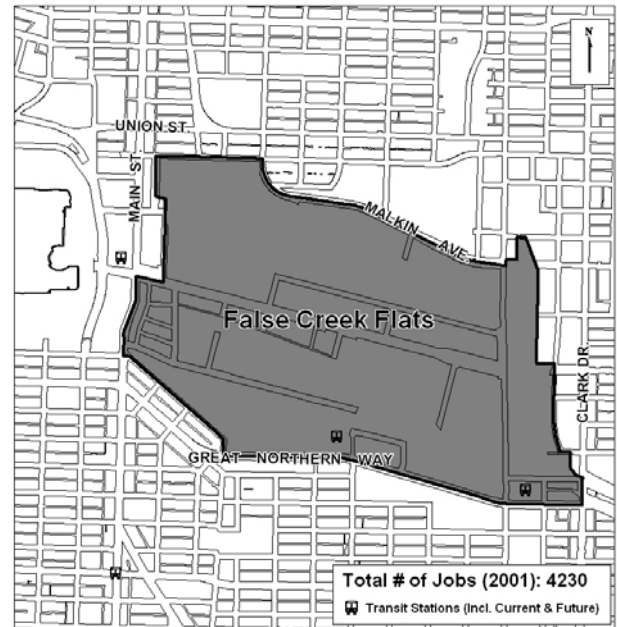
Area Role and Directions

Metropolitan Core Jobs & Economy Land Use Plan

The False Creek Flats Area is predominantly zoned for industrial uses, with some “high tech” office zoning in the far Western Flats.

The False Creek Flats plays an important support role for the Metro Core economy through its production, distribution and repair function. The area houses major rail yards that serve the port, two passenger rail terminals, and a bus terminal. There are also large areas of vacant and underutilized land, including a large site that is under consideration for the replacement of St. Paul’s Hospital with a major hospital/research campus.

A major study to develop a revised land use and transportation plan for the Flats is slated to re-start this year. Council has instructed that the eastern Flats should continue to have a city and port-serving industrial function, with the western Flats having a more diverse job role.



Opportunities and Challenges

- The transportation and access in the Flats is a significant challenge for all modes of travel, particularly given the need to preserve the rail yards for Port function. This will improve however with the extension of the Millennium Line, the downtown streetcar and with the creation of a coherent access and structure plan.
- The potential development of a major health facility in the Western Flats will have a major impact on the demand for additional office space in the area.
- The “high tech” zoning in the Western Flats has not experienced the uptake that was expected when it was put in place in the late 1990s.
- Soil conditions will present challenges to high intensity development, particularly for underground parking.
- Opportunity for diverse office space in the western Flats in large floor plate, non-tower form is distinct from CBD-type office space.

Future Desired Role

The future role of the False Creek Flats is as a jobs area, with specifics to be determined through the False Creek Flats planning program.

Policy Directions to Explore

- *The Metro Core Team will collaborate with the False Creek Flats Planning Team to identify and consider policy options that maintain or increase job space within that study area.*

List of Organisations Consulted in the Metro Core Study

The following organisations were consulted by the Metro Core Study in Step One, Step Two or both:

Vancouver Board of Trade - Community Affairs Committee
Vancouver Board of Trade - Urban Infrastructure Committee
Vancouver Economic Development Commission
Urban Development Institute - City Liaison Committee
Urban Development Institute - Breakfast Seminar
National Association of Industrial and Office Properties (NAOIP)-Development Issues Committee
Vancouver City Planning Commission
Smart Growth BC
Better Environmentally Sound Transportation
EasyPark Planning Committee
Canadian Parking Association
Concord Pacific
Downtown Vancouver Business Improvement Association - Transportation and Urban Policy Committee
Gastown Business Improvement Association
Building Opportunities with Business (BOB)
Yaletown Business Improvement Association
Downtown Vancouver Association
TransLink
Cushman, Wakefield, LePage - Office Leasing Division
David Baxter/Urban Futures
Dr. Tom Hutton - UBC
Researchers from Commercial Real Estate Broker Firms

Metro Core Advisory Group Members

Interests	Firms and Individuals	Groups and Associations
Economy & Business	<u>Legal</u> • Donald M. Dalik, Partner, Fasken Martineau Dumoulin LLP, Barristers and Solicitors	<u>Vancouver Economic Development Commission</u> • Tanja McQueen, Executive Director
	<u>Finance</u> • David Poole, Senior Vice-President, BC & Yukon Region, Scotiabank	<u>Canadian Manufacturers and Exporters</u> • Werner Knittel, Vice President - Alternate: Colin Heartwell
	<u>Information Technology</u> • Barry Truter, Director, Consulting Services, Sierra Systems Consultants Inc.	<u>Vancouver Board of Trade</u> • Bernie Magnan, Assistant Managing Director and Chief Economist - Alternate: David Park, Chief Economist
	<u>Video Game Development</u> • Carey Du Gray, Games Design, Next Level Games [Yaletown]	
	<u>Architecture/Design</u> • Frank Musson, founding partner, Musson Cattell Mackey Partnership	<u>Downtown Vancouver Business Improvement Association</u> • Charles Gauthier, Executive Director
	<u>Accommodation</u> • Stephen Darling, Regional Vice President, North America Shangri-La Hotels & Resorts; Director, Vancouver Hotel General Managers' Association ("VHGMA")	<u>Yaletown Business Improvement Association</u> • Brian Carroll, Board of Directors and Chair of Economic Development Committee [Counterpoint Interiors Inc] - Alternate: Annette O'Shea, Executive Director
	<u>Entertainment</u> • Christine Van, Promotions and Marketing Manager, Granville Entertainment Group [pubs, clubs, accommodation]	<u>Gastown Business Association</u> Jon Stovell, President <i>[See also under Development below]</i>
	<u>Arts and Culture</u> • Rae Ackerman, Director, Vancouver Civic Theatres	<u>Building Opportunities with Business Inner City Society [BOB] - Downtown Eastside Economic Revitalization Program</u> (No Current Representative)
	<u>Film and TV Production</u> • Paul Clausen, Director of Operations Northshore Studios (Lions Gate Studios); Motion Picture Production Industry Association [MPPIA] - Alternate: Leslie Wotton, Exec Administrator, MPPIA	<u>Tourism Vancouver</u> • Stephen Regan, Manager, Destination Development

	<u>Education</u> • Warren Gill, Ph.D., Vice President, University Relations, Simon Fraser University	<u>GVRD Policy and Planning Department</u> • Christina DeMarco, Manager, Regional Development Division - Alternate: Terry Hoff, Planner
	<u>Public Administration/Federal Government</u> • Terry Tetreault, Regional Director, Real Property Services, Public Works Canada	<u>Vancouver and District Labour Council</u> • Bill Saunders, President
	<u>Health/Biotech</u> • Dr. Allen Eaves, President, StemCell Technologies [Broadway area]	
	<u>Port/Transportation</u> • Sharleen Suszezewicz, Planner, Vancouver Port Authority - Alternate: Bill Corsan, Planner	
	<u>Manufacturing</u> • Karen Somerville, Fidelis Printmaking [Mt Pleasant industrial area: Cambie/Main]	
Land Owners, Development & Real Estate	<u>Developer/owner</u> • Kerry Bonnis, Director, Bonnis Development Corporation [downtown retail; Broadway office; West End residential]	<u>National Assoc of Industrial and Office Properties</u> • Rob Kavanagh, Director, Asset Management, GWL Realty Advisors Inc, [institutional/pension fund owner/developer: downtown & Broadway office; downtown residential rental] - Alternate: Geoff Heu, Director of Development, BC Region, GWL Realty Advisors • Bob Laurie, Vice-President, Real Estate Services, CB Richard Ellis - Alternate: Graeme Silvera, Vice-President, Project Development, Plenary Group
	<u>Developer/owner</u> • Tony Astles, Senior Vice President, B.C., Bentall Real Estate Services - Alternate: John Cordonier, Vice President, Development for BC [institutional/pension fund: downtown office]	
	<u>Developer/Owner</u> • Derek Page, Director, Real Estate Management, Oxford Properties Group [institutional/pension fund: downtown office]	<u>Urban Development Institute [UDI]</u> • Jon Stovell, Acquisitions and Development, Reliance Holdings [developer/owner: heritage area new-build & conversion – for live-work rental w/commercial; West End residential rental]
	<u>Developer/owner</u> • Robert Macdonald, Owner, Macdonald Development Corporation [downtown strata residential with mixed use]	• Ron Bagan, Executive Managing Director, Western Canada, Colliers • Christopher Philps, Executive Vice President,

		Polygon Homes Ltd. [developer: Metro Core strata residential]
		<u>Building Owners & Managers Association [BOMA]</u> • Colin Murray, VP Property Management, BOSA Properties
		<u>Real Estate Board</u> • Eugen Klein, President, Real Estate Board of Greater Vancouver - Commercial Division; President, Lower Mainland Commercial Council - Alternate: Peter Remillong, Director, Commercial Division – Real Estate Board of Greater Vancouver
Trans- portation	• <u>TransLink</u>: Martin Kobayakawa, Senior Transportation Planner, Strategic Planning and Policy • <u>TransLink</u>: Basse Clement, Senior Transportation Engineer, Strategic Planning and Policy • <u>Parking Corporation of Vancouver [EasyPark]</u>: Ronald W. Downey, Chairman • <u>Greater Vancouver Gateway Council</u>: Robert Wilds, Managing Director	

From: Astles, Tony
Sent: Monday, June 11, 2007 1:43 PM
To: 'corejobs@vancouver.ca.'
Subject: Advisory Group members, Metro Core Jobs and Economy Land Use Plan, City of Vancouver

Thank you for allowing us to participate in the above Advisory Group.

Generally we agree with the recommendations included to date. Unfortunately, we believe that the recommendations to date will fall short of accelerating commercial development in the CBD to the desired levels.

The recommendations, so far, seem to be aimed at restricting residential development and increasing commercial density on sites. Restricting residential use may have the impact of lowering land values somewhat, but probably not enough to encourage commercial development as the rapid increase of construction costs will more than offset the savings found in lower land costs.

Increasing commercial density may (on smaller projects) be helpful but it may be a waste of effort if that causes commercial projects to become larger (either as individual buildings - reference Bentall 5 - or on multiple building projects - reference the Vancouver Post Office) than the market will absorb over a reasonable period of time.

We believe that the recommendations to date will have the effect of slowing CBD residential development but not encouraging commercial development enough to generate new project construction. An industry hotel advisor in the group pointed out that, in North America, there is only one CBD hotel under construction that is not part of a residential development. In other words, new hotel construction is not currently viable without the economic profit assisted by residential uses.

We explained, in detail, that the higher cost, longer time frame for planning, permitting and constructing bigger buildings downtown more often than not makes suburban development more attractive to developers. A fact born out by construction of commercial product over the last 10 years. Suburban development will accelerate (over 700,000 s.f. now underway) in the suburbs which will, given the dire lack of office space downtown, draw office tenants out of the CBD in the next 2-5 years. Of course, this may solve the problem of lack of available space downtown.

To compound this, construction costs over the next 5 years are forecast to increase at levels that will make commercial construction anywhere much more difficult - especially for larger projects with longer timeframes for completion - like in the CBD. Commercial construction costs have doubled in the last 5 years and are forecast to increase at between 7 and 10% per year for the next 5 years. These increases in cost will increase risk to developers and will be an impediment to new activity - especially commercial developers earning lower returns than those in residential construction.

If the City of Vancouver wishes to accelerate CBD commercial development, it may need more "tools in the toolbox" than currently contemplated. Approval times will need to be improved, increased densities allowed, means of reducing the cost of commercial

construction (reduced property taxes, dcc's, permit fees etc.) and, perhaps, mixed use development to allow the high profit residential component to offset the weaker economics of commercial development.

A substantial cost of constructing commercial space downtown is the cost of building parking spaces (between \$40,000 and \$50,000 per stall depending on the project). While transit infrastructure is being built (we'll leave it to others to discuss the effectiveness) to get to and from the CBD, once in the CBD it is still very difficult to get around due to the unavailability of Taxi cabs. Because cabs are not available, business people and visitors bring their vehicles downtown and need parking. If the City improved mobility around the downtown through improved Taxi service, perhaps less parking would be required in commercial buildings and commercial construction costs could be lowered somewhat.

We have been fortunate in that we commenced 3 projects (450,000 s.f.) in Vancouver in the last 2 years before construction costs jumped too severely. We have over 2 million s.f. under construction (or ready to construct) in Calgary. We are cost budgeting 3 new buildings in Vancouver. So we are keenly aware of the cost/time problem addressed above. Our feeling is that as outlined above, CBD construction may be un-economic without new and creative solutions in the future.

Thank you for your interest in this matter,

Tony Astles

Executive Vice President, British Columbia
Bentall Real Estate Services LP

www.bentall.com <<http://www.bentall.com/>>

19 June 2007

Ms. Ronda Howard
Assistant Director of City Plans, City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Dear Ms. Howard:

RE: Metropolitan Core Jobs & Economy Land Use Plan – Issues and Directions Draft Report

In response to the request to the Advisory Group, TransLink staff has had the opportunity to review the above draft report and our comments are as follows:

1. The overall goal of the Plan – of ensuring that there is enough land supply and transportation capacity for future job growth – is supported. Future employment growth in the Metro Core should be able to take advantage of the existing and planned transit and transportation infrastructure serving this area. This includes the existing Expo and Millennium SkyTrain lines, the existing 98 and 99 B-Line express bus services, the West Coast Express commuter rail service and the planned Canada Line rapid transit.
2. While main focus of the Plan is land supply, it seems to assume that there is adequate transportation capacity (i.e. transit and road capacity) to support the targets. This needs to be confirmed.
3. Ensuring that the Metropolitan Core will be well served by transportation has several key dimensions: first, the provision of public transit for commuters, second, maintaining a balance between jobs and housing, third, ensuring efficient and effective freight delivery to and from light industrial, commercial and other area and fourth, recognizing the gateway role of the Metropolitan Core (e.g. Port, rail yards, Clark Drive, Knight Street as part of a trade corridor). While the draft report addresses the first two areas, the latter two areas are not fully addressed. It is suggested that policies for freight transport and the gateway role be included under Overall Policy Directions. It is further suggested that the sub-area analyses be reviewed to ensure that freight transport needs and the gateway role of the Metro Core have been taken into consideration.
4. The report does not include an analysis of land values and real estate economics, which will have an impact on implementing the report's recommended policy directions. It is suggested that such an analysis be included.
5. Upon its completion, the Metropolitan Core Jobs & Economy Land Use Plan will be used to provide input to the development of TransLink's new long term strategy.

We appreciate having the opportunity to provide this input. If you have any questions, please contact Martin Kobayakawa, Senior Transportation Planner at 604-453-4558.

Yours truly,

Glen Leicester
Vice President, Planning
TransLink

Proposed Timeline and Approach for Potential Development Capacity Study

Capacity Options Review Process

