

NO: R153

COUNCIL DATE: July 25, 2011

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 25, 2011**

FROM: **General Manager, Planning and Development** FILE: **0450-01**

SUBJECT: **Response to Port Metro Vancouver Concerns Regarding the  
Metro Vancouver Regional Growth Strategy**

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## RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information; and
2. Instruct the City Clerk to forward a copy of this report and the related Council resolution to Port Metro Vancouver as a response to their letter to the City of Surrey, dated June 29, 2011, a copy of which is attached as Appendix I to this report.

## BACKGROUND

In a letter dated June 29, 2011 from Robin Silvester, President and Chief Executive Officer of Port Metro Vancouver to the City of Surrey (copy attached as Appendix I), several concerns were expressed regarding the new Metro Vancouver Regional Growth Strategy ("RGS"). These concerns centre on ensuring that sufficient industrial lands are available into the future to support the operations and expansion of the Port in recognition of its importance in the Region's economic development.

## DISCUSSION

The new RGS is at an advanced stage in the approval process. The RGS has been given second reading by the Metro Vancouver Board and has been subject to Public Hearing. Of the 25 local governments covered by the RGS, 24, including the City of Surrey, have ratified the RGS. A non-binding dispute resolution process to address the concerns of the City of Coquitlam has resulted in a tentative agreement between Metro Vancouver and Coquitlam. If this tentative agreement is ratified by both parties, the RGS By-law could be adopted at the next meeting of the Metro Vancouver Board.

The City recognizes the key role of Port Metro Vancouver in the growth of the regional economy and Surrey shares the Port's concern over the loss of industrial land. The City of Surrey has been diligent in protecting its industrial land base, as reflected in policies and recommendations contained in the Surrey Official Community Plan and the City's Employment Lands Strategy. Surrey is in a key position in this regard, with over 16% of the Region's industrial lands, including over 45% of the Region's remaining undeveloped industrial land.

The new RGS, unlike the previous growth strategy (the "Liveable Region Strategic Plan"), provides for the regional identification and protection of industrial and other employment lands. The RGS includes two land use designations, these being the "Industrial" designation and the "Mixed Employment" designation, respectively and requires Metro Board approval for any re-designation of lands in either of these designations to any other designation. This is intended to protect the Region's existing employment land base in addition to the by-laws, policies and practices of individual local governments in the Region. This provision in the RGS addresses one of the principal concerns expressed by Port Metro Vancouver.

The tentative agreement between Metro Vancouver and the City of Coquitlam, related to Coquitlam's objections to the RGS is a commitment by the Metro Vancouver Board to review the RGS every five years. This review provision will permit the consideration of adjustments to the RGS on a regular five-year recurring basis to address any emerging issues such as the protection of the Region's industrial land base and, potentially, the identification of additional industrial lands needed to support the growth and development of the regional economy, including the Port Metro Vancouver operations.

## CONCLUSION

The City of Surrey has a significant inventory of industrial lands coupled with a Council-adopted Employment Lands Strategy policy that is targeted at protecting such lands for industrial and employment purposes.

Based on the above discussion, it is recommended that Council receives instruct the City Clerk to forward a copy of this report and the related Council resolution to Port Metro Vancouver as a response to their letter to the City of Surrey, dated June 29, 2011, a copy of which is attached as Appendix I to this report .

*Original signed by*  
Jean Lamontagne  
General Manager,  
Planning and Development

DL:saw

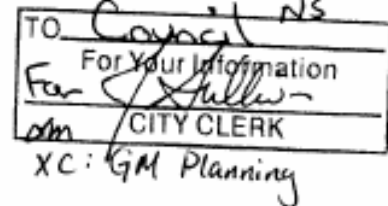
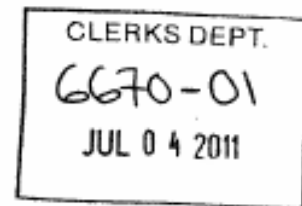
Attachment:

Appendix I: Letter, dated June 29, 2011, from Port Metro Vancouver



June 29, 2011

Mayor Dianne Watts and Council  
City of Surrey  
14245 - 56<sup>th</sup> Avenue  
Surrey, BC V3X 3A2



Dear Mayor Watts and Council:

**Re: Draft Regional Growth Strategy – Industrial Land Policies**

We understand the dispute resolution process for adoption of the draft Regional Growth Strategy is underway and provides an opportunity for further input by affected local governments such as the City of Surrey. With any participation Surrey may have in that process, Port Metro Vancouver requests you consider as a priority the preservation of our region's industrial land base.

We believe it is vital to the sustainable future of our region to ensure the Strategy includes appropriate policies that protect the region's existing supply of industrial land and enable its expansion as necessary in the future. While the current draft makes great strides in this regard when compared with the current Liveable Region Strategic Plan, we strongly feel there is a need for more robust policies to ensure an adequate supply of industrial land for future generations. We are taking this opportunity of further refinement of the draft Regional Growth Strategy to encourage all affected local governments to advocate in this regard.

We estimate the region will require approximately 2,700 acres of additional industrial land in order to support port activity over the next 20 years. Although the demand for industrial land in our region continues to rise, the supply of such lands is declining as it comes under increasing pressure for redevelopment to other uses that provide a more immediate return on investment. In recognition of this trend, the draft Strategy includes policies intended to protect industrial land. However, these policies are at risk of being undermined by others in the Strategy that would facilitate the conversion of industrial lands for other uses.

Of particular concern to us is the Strategy's designation of most existing industrial lands as either *Industrial* or *Mixed Employment*. While both designations support continued industrial use, the *Mixed Employment* designation also supports the development of commercial, office and large-format retail uses on lands currently used, zoned or municipally designated for industrial purposes only. In order to be successful in protecting industrial lands, we believe the Strategy should apply its *Industrial* designation only to all lands currently zoned or designated by municipalities for industrial purposes.

We also believe the Strategy should facilitate the expansion of the region's industrial land base.

In previous communications with Metro Vancouver, we raised a concern regarding a specific policy under Section 2.1 that suggests Port Metro Vancouver should not expand its industrial operations beyond those areas designated in the Strategy as *Industrial or Mixed Employment*. This policy does not recognize the substantial decrease to the region's industrial land inventory that has occurred over the past couple of decades which has significantly restricted opportunities for new industrial development. Many of the industrial lands that have been lost were large parcels located in close proximity to road, rail and water and were particularly well-suited for continued port industrial use. Once such lands are lost, it is extremely difficult to reinstate them or compensate for them elsewhere due to high land values for most other land uses. In our view, the Strategy should seek to reverse the loss of industrial lands rather than include policies such as the one noted above that would perpetuate a reduced industrial land base.

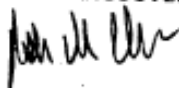
The industrial sector, and particularly the port-industrial sector, plays a valuable role in the livelihoods of residents in the Metro Vancouver region and throughout Canada. Port Metro Vancouver trades \$75 billion in goods annually with more than 160 trading economies, generating across Canada an estimated 129,500 jobs, \$6.1 billion in wages, and \$10.5 billion in Gross Domestic Product. Locally, Port Metro Vancouver is one of the most visible contributors to the economy and accounts for nearly 44,000 direct jobs within this region with approximately 4,000 of those jobs in Surrey alone. The regional employment figure translates into approximately \$870 million in wages and \$1.3 billion in Gross Domestic Product.<sup>1</sup> These benefits are contingent upon the availability of suitably designated lands that are protected from the pressures of competing uses.

We believe it is the collective responsibility of all jurisdictions having authority over land use in our region to ensure a sufficient supply of industrial lands so that these benefits may continue to accrue well into the future.

Thank you for considering our request that City of Surrey take an active stance in encouraging stronger policies for the protection of our region's industrial land base in the draft Regional Growth Strategy. Should you wish to discuss this matter with me further, you may contact me at 604-665-9016.

Yours truly,

PORT METRO VANCOUVER



Robin Silvester  
President and Chief Executive Officer

cc: Mr. Johnny Carline, Commissioner and Chief Administrative Officer, Metro Vancouver  
Mr. Murray Dinwoodie, City Manager, City of Surrey

<sup>1</sup> All figures from a 2009 report prepared by InterVISTAS for Port Metro Vancouver and available at <http://www.portmetrovancover.com/en/about/factsandstats.aspx>.