

City of Surrey PLANNING & DEVELOPMENT REPORT File: 7915-0328-00

Planning Report Date: December 14, 2015

PROPOSAL:

- OCP Amendment from "Mixed Employment" and "Commercial" to "Urban"
- Rezoning from RA to RM-15

to permit the development of a townhouse complex.

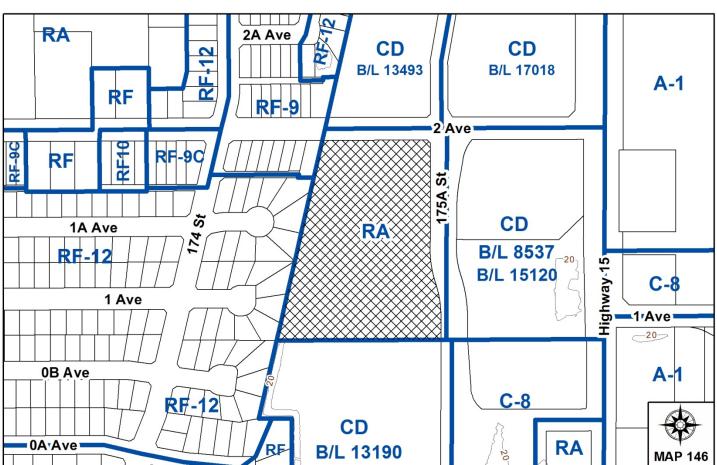
LOCATION: 151 - 175A Street

OWNER: White Rock Tudor Inn Ltd.

ZONING: RA

OCP DESIGNATION: "Mixed Employment" and

"Commercial"



RECOMMENDATION SUMMARY

• The Planning & Development Department recommends that the application be referred back to staff to work with the applicant to develop a proposal that complies with the Official Community Plan (OCP) and the Metro Vancouver Regional Growth Strategy (RGS).

DEVIATION FROM PLANS, POLICIES OR REGULATIONS

• The proposal does not comply with City of Surrey policies and plans, nor with Metro Vancouver's Regional Growth Strategy (RGS).

RATIONALE OF RECOMMENDATION

- Does not comply with the OCP designation or Metro Vancouver's RGS designation.
- The proposed development is a significant departure from existing City and Metro Vancouver plans and policies, and will result in a reduction in the supply of employment lands in the City. This does not support Surrey's goal of achieving a higher job to resident ratio.
- The proposed development would push residential uses to closer proximity with border crossing facilities and activities. While certain mitigation measures can be implemented, the future residents in this development, if approved, may be subjected to nuisances associated with the truck and vehicle traffic (i.e. noise, vehicle queuing, exhaust fumes, etc.). This would likely generate complaints from the future residents on a regular basis.
- The proposed development, if approved, could put pressure on other "Mixed Employment" or "Industrial" lands in Surrey to be converted to residential uses, including the 2.6 hectare (6.5 acres) site to the immediate south at 67 175A Street.

RECOMMENDATION

The Planning & Development Department recommends that the application be referred back to staff to work with the applicant to develop a proposal that complies with the Official Community Plan (OCP) and the Metro Vancouver Regional Growth Strategy (RGS).

If, however, Council feels that there is merit to the application, Council may direct staff to work with the applicant to review the details (ie. site plan, tree retention, architecture, etc.) of the proposed townhouse proposal and once all issues are resolved, bring the project back to Council for Council's consideration.

REFERRALS

Engineering: The Engineering Department has no specific concerns with the

proposed development. If the application proceeds to the detailed planning stage, detailed Engineering Comments will be provided to ensure necessary infrastructure is provided to service the site.

Ministry of Transportation & Infrastructure (MOTI):

The proposed change in use from industrial/commercial to residential would raise concerns regarding noise attenuation

requirements.

Parks, Recreation &

Culture: No concerns.

School District: The School District has indicated concern. Hall's Prairie

Elementary School is a very small school with a capacity of 120 and is nearing capacity. Many of the students in the Douglas area attend other Surrey Schools which are also at or over capacity. Approval of developments of this scale/density, outside of an NCP process, make it difficult for the School District to accurately assess

capital requirements and priorities.

Metro Vancouver: The applicant is proposing an amendment to the Regional Growth

Strategy (RGS) designation on a portion of the site, from "Mixed Employment" to "General Urban". This proposed amendment to the RGS would require an affirmative majority (50%+1) weighted vote of the Metro Vancouver Board but would not require a

regional public hearing.

SITE CHARACTERISTICS

Existing Land Use: Vacant, forested site.

Adjacent Area:

Direction	Existing Use	OCP/NCP	Existing Zone
		Designation	
North (Across 2 Avenue):	Townhouse	Urban	CD (By-law No.
	development		13493)
East (Across 175A Street):	Commercial	Commercial	CD (By-law Nos.
	businesses		8537 & 15120)
South:	Pacific Border RV	Mixed	CD (By-law No.
	Park	Employment	13190)
West:	Single family	Urban/ Single	RF-12 & RF-9
	residential small	Family Residential	
	lots	Flex (6 – 14.5 upa)	

DEVELOPMENT CONSIDERATIONS

Site Description

- The subject site consists of a 2.2 hectare (5.5 acre) parcel (151 175A Street) located near the Pacific Highway (176 Street) border crossing. The property is vacant and is forested. The parcel is zoned "One-Acre Residential Zone" (RA) and split-designated "Mixed Employment" and "Commercial" in the Official Community Plan (OCP). The property is also split-designated "General Urban" and "Mixed Employment" in Metro Vancouver's Regional Growth Strategy (RGS).
- The subject property was previously "hooked" and formed a single legal parcel with the Tudor Inn site located on the east side of 175A Street at 155/187 176 Street. In February 2015, the subject site was subdivided to "unhook" it from 155/187 176 Street (File No. 7912-0277-00).
- The subject site is bordered to the west by a single family small lot subdivision and to the south by the Pacific Border RV Park. To the north, across 2 Avenue, lies the Douglas Pointe townhouse complex, and to the east, across 175A Street, is a commercial site containing a duty-free store and the Tudor pub.
- The site is heavily treed and there is a Class B watercourse north of the site in the 2 Avenue road allowance. Tree retention and the impact of the watercourse on site has yet to be assessed in detail and must be taken into consideration with any development proposal for the site.

Proposed Development

- The applicant is proposing:
 - o an OCP amendment from "Mixed Employment" and "Commercial" to "Urban";
 - o a rezoning from "One-Acre Residential Zone" (RA) to "Multiple Residential 15 Zone" (RM-15)

to permit development of a townhouse complex on the subject site.

- The applicant has provided a rationale in support of their proposal. This rationale is attached to this report as Appendix V.
- In terms of the subject application, only the proposed OCP amendment and rezoning, and not the Development Permit, are being presented for Council's consideration. Given the significant departure from the City's and Metro Vancouver's plans and policies that the proposal entails, it was deemed appropriate to consult Council on the larger land use issue before proceeding further to detailed development planning of the site, which typically is done through the Development Permit application.

Site Context in Douglas

- When the Douglas Neighbourhood Concept Plan (NCP) was developed, the eastern boundary of the NCP was established as a delineation between the Douglas residential neighbourhood and the industrial/commercial uses around the Pacific Highway border crossing area. In fact, the overall orientation of the Douglas NCP is away from this industrial/commercial area at the border crossing. The residential lots backing onto this property, to the west, have a buffer established to provide a degree of separation between the two areas.
- There is a traffic management control measure (a chicane) located at the 2nd Avenue connection to the Douglas community. The purpose of the chicane is to discourage traffic using 2 Avenue to and from the border crossing area. This arrangement further reinforces the separation of the border crossing area from the Douglas residential community to the west.
- The proposed development will push residential uses further east, beyond the intended boundary of the Douglas residential community, in close proximity to border crossing facilities and activities. While certain mitigation measures can be implemented, the future residents in this development, if approved, may be subjected to nuisances associated with the truck and vehicle traffic (i.e. noise, vehicle queuing, exhaust fumes, etc.). This would likely generate complaints from the future residents on a regular basis.
- A number of years ago, an application was made to re-designate the ALR land east of 176 Street between 2 Avenue and 4 Avenue from "Agricultural" to "Industrial Business Park". The City was not supportive of the proposal because of the availability of sites in the area that are currently designated industrial/business uses. The proposed removal of these currently "Mixed Employment" and "Commercial" designated lands will reduce the amount of employment land in the area, which may increase pressure on agricultural land in the vicinity of the Douglas border crossing.

Policy Considerations

• In considering the proposal to redesignate the subject site from "Mixed Employment" and "Commercial" to "Urban" in the OCP to allow for the proposed residential land use, there are a number of City and Metro Vancouver policies that need to be considered. These are described below.

Surrey OCP (2014)

- The protection of employment lands is a key objective of the City of Surrey. Surrey's OCP
 contains policies that are designed to "prohibit the conversion of industrial, business park or
 mixed-employment lands to residential or other non-employment uses". These policies seek
 to "encourage the full utilization and efficient use of industrial and other employment lands in
 order to maximize jobs and economic activity per hectare".
- Preserving lands designated "Mixed Employment" for employment uses helps Surrey achieve a higher job to resident ratio, which results in a more complete city where residents can both live and work within the city.
- The City has a number of areas designated "Mixed Employment" or "Industrial" where inquiries have been made to amend the OCP and RGS to allow for residential uses. To date Surrey has not forwarded any proposed RGS amendments of this nature, with support, to Metro Vancouver.
- If the proposed application is supported, the current "Mixed Employment" and/or "Industrial" designations in other areas of Surrey may come under pressure to be amended to allow non-employment uses. In particular, the owners of the existing 2.6 hectare (6.5 acres) site to the immediate south at 67 175A Street, also designated "Mixed Employment" in the OCP and RGS, can be expected to pursue non-employment uses if the subject application is supported.

Surrey Employment Lands Strategy (2008)

- Surrey's *Employment Lands Strategy*, adopted by Council in 2008, outlines the City's commitment to maintaining employment lands for employment uses, as the below excerpts indicate:
 - "conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors"; and
 - "the City acknowledges port lands and key transportation corridors as contributors to local economic well-being and is committed to protecting employment lands in these areas".

Metro Vancouver

- The southern portion of the subject site is designated "Mixed Employment" in Metro Vancouver's Regional Growth Strategy (RGS). Areas designated "Mixed Employment" in the RGS are "intended for industrial, commercial and other employment related uses to help meet the needs of the regional economy. Residential uses are not intended in 'Mixed Employment' areas."
- The proposed development would trigger an application to Metro Vancouver to amend the RGS designation from "Mixed Employment" to "General Urban".
- Amendments from the "Mixed Employment" designation to the "General Urban" designation of the RGS must come from the affected municipal government and are classified as a "Type III Minor Amendment", and require an affirmative majority (50%+1) weighted vote of the Metro Vancouver Board but would not require a regional public hearing. This step would occur subsequent to Council holding a Public Hearing and granting Third Reading to the proposed development.

PRE-NOTIFICATION

Pre-notification letters were sent on November 12, 2015, and again on December 1, 2015 (with a slight revision) and two development proposal signs were installed on the subject site. Staff received 2 phone calls regarding the proposal. One caller was in favour of the proposed development and the other caller had general questions about the proposal and did not have any concerns with the proposal.

RECOMMENDATION

Staff understands the applicant's proposal to develop the site for a residential use may be viable in the short term. However, in light of the broader and longer term plan of the City, staff is not supportive of proposed residential development at this location. The key concerns are summarized as follows:

- The proposed development reduces the supply of employment lands in Surrey, which does not support Surrey's goal of achieving a higher job to resident ratio.
- The proposed development, if approved, could put pressure on other "Mixed Employment" or "Industrial" lands in Surrey to be converted to residential uses, including the 2.6 hectare (6.5 acres) site to the immediate south at 67 175A Street.
- The proposed development would push residential uses to closer proximity with border crossing facilities and activities. While certain mitigation measures can be implemented, the future residents in this development, if approved, may be subjected to nuisances associated with the truck and vehicle traffic (i.e. noise, vehicle queuing, exhaust fumes, etc.). This would likely generate complaints from the future residents on a regular basis.

In light of the above concerns, staff recommend that the application be referred back to staff to work with the applicant to develop a proposal that complies with the Official Community Plan (OCP) and the Metro Vancouver Regional Growth Strategy (RGS).

If, however, Council feels that there is merit to the application, staff recommend that it be referred back to staff for a more detailed review of the various design issues (ie. site plan, tree retention, architecture, etc.), and once those issues are resolved, to bring the project forward for Council's consideration of By-law introduction and approval to draft a Development Permit.

INFORMATION ATTACHED TO THIS REPORT

The following information is attached to this Report:

Appendix I. Lot Owners, Action Summary and Project Data Sheets

Appendix II. Proposed Site Plan

Appendix III. OCP Redesignation Map

Appendix IV. Metro Vancouver Regional Growth Strategy Map

Appendix V. Applicant's Rationale

original signed by Ron Hintsche

Jean Lamontagne General Manager Planning and Development

KB/dk

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Information for City Clerk

Legal Description and Owners of all lots that form part of the application:

1. Agent: Name: Chad Marlatt

Urban Eight Land Development Inc.

Address: #120, 736 Granville Street

Vancouver, BC V6Z 1G3

Tel: 604-620-0877

2. Properties involved in the Application

(a) Civic Address: 151 - 175A Street

(b) Civic Address: 151 - 175A Street

Owner: White Rock Tudor Inn Ltd

PID: 029-495-865

Lot 3 Section 32 Block 1 North Range 1 East New Westminster District Plan EPP44786

3. Summary of Actions for City Clerk's Office

Appendix II







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CONTEXT

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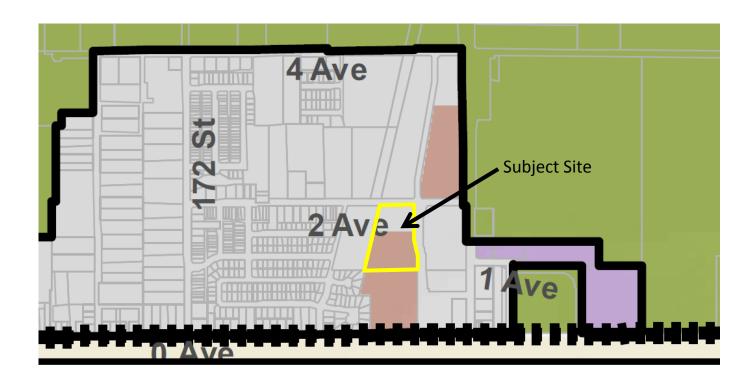


OCP Map



The subject site is designated "Commercial" (red) and "Mixed Employment" (light blue).

Metro Vancouver RGS Map



Regional Land Use Designations

- Urban Containment Boundary
- General Urban
- Industrial
- Mixed Employment
- Rural
- Conservation & Recreation
- Agriculture Agriculture

Executive Summary

151 175A Street, Surrey, BC - Supporting Rational for Property Re-designation

The owners of 151 175A wish to propose an amendment to the City of Surrey Official Community Plan to permit the re-designation of 151 175A Street, Surrey, BC from Commercial/Mixed Employment to Urban and a Metro Vancouver re-designation of the approximately 3.4 acres of the parcel from Mixed Employment to General Urban. The re-designation is required to permit a proposed low density townhome development (approximately 10-12 upa). We appreciate that requesting a designation change from Mixed Employment to Urban/General Urban for a portion of the property, to permit a residential use, is a difficult decision for Staff and Council to contemplate and support. That said, we strongly believe that a residential use is most compatible with the surrounding (existing) residential uses and that the site is not appropriate to be used for any commercial, industrial or mixed employment use(s).

We have completed a significant amount of pre-consultation with the community to confirm that our proposal meets the neighbourhoods needs and is compatible with the community of Douglas. To date, we have held two (2) informal open houses, met with Douglas Point Strata and hand delivered project information to individual homes. This preconsultation has resulted in meeting with approximately 40 to 50 community members. Many have supplied comments of support. Almost everyone we've met with strongly agree that a residential use (as proposed) is most beneficial to the existing community and that any commercial, mixed employment or industrial use would not be compatible and would not be supported by the community. Most are surprised to hear that anything but a residential use is permitted on the subject property. We are confident, from our various meetings and interactions with existing residents that development of the property into a non-residential use would result in public opposition.

The current owners have operated the West Coast Duty Free for the past 30 years and have owned the subject property for approximately 50 years. They know the border area and operations very well, understand the demand for commercial/business uses and have watch the residential community of Douglas develop adjacent to them. The subject property is the only undeveloped property in the immediate vicinity. Throughout the time they have owned the property they have explored and considered potential uses for the lands that could compliment their existing businesses and/or border operations. However, there has not been demand for obvious uses such as office, warehousing and trucking/transport related activities. Furthermore, the lack of demand, and poor access to the property due to congested border traffic, renders use of the property for commercial businesses unfeasible. Discussion with the Ministry of Transportation also indicated that land uses generating higher traffic such as commercial uses is not advisable. A recent City Corporate Report entitled *Market* &

Land Use Analysis – Pacific Highway Border Crossing clearly identified a lack of demand for additional lands to support commercial/industrial uses at the border crossing. The lack of demand for commercial uses in the area is evident in the struggles the Gateway commercial development (located at 228 175A St.) has faced as it has attempted to develop over the better part of the past two decades. Changes to border operations (primarily through government programs aimed at the pre-clearance of goods) has also led to a dramatic reduction in demand for lands to support commercial/industrial uses. A preliminary inquiry with the CBSA indicated that there are no plans to expand border crossing operation that would require future lands for development. In fact, recent capital improvements to the Aldergrove Border Crossing to facilitate increased commercial traffic will reduce commercial crossings at the Pacific Truck Crossing

We understand the City's OCP objective to protect employment lands to ensure there is a balanced availability of jobs across the Metro Vancouver region. That said, it is as important to ensure lands that are used for generating jobs are appropriately sited within the communities in which they are located. Often an in depth look at a specific site is required to ensure sufficient analysis has being, and is given, to the suitability of a site for employment or non-employment purposes. A closer review of the subject property and its context within the Pacific Truck Border Crossing area and the residential community of Douglas is necessary to assess the appropriate use of this land. We strongly feel that, given that this is such a small, and poorly located Mixed Employment area, there may have been a historical oversite whereby a detailed review during long range planning exercises did not contemplate the compatibility of the subject lands within the context of surrounding, existing residential development. The feasibility of the site to be an economically viable commercial location is unsupported as the site has poor access, no visibility and there is strong evidence to suggest that there is no demand for commercial uses.

We argue that the delineation ("border") between the truck crossing and the residential community of Douglas has shifted to those properties on the west side of 175A through the permitted development of the townhomes (Douglas Point) at 17516 4th Avenue (in 2002), the removal of the designated truck traffic route off of 175A Street further east onto a dedicated route and the development of a RV/trailer court on the west side of 175A to support short and long term residential rentals. This shift in the "border" between the residential community of Douglas and the Pacific Truck Crossing in conjunction with all the single family homes along the western border of the subject property strongly suggests that the most compatible use of the property would be residential in nature. A proposed residential use adjacent the existing residential uses will be most compatible with regard to form, character and use. There would be fewer opportunities for incapability related to noise, odour, traffic, light pollution and other noncompatible commercial/light industrial characteristics that can lead to potential conflict between differing types of land uses and owners. Further support for this delineation is the lack of demand for commercial/industrial lands to support the border operations.

Sufficient undeveloped and underdeveloped lands existing east of 176th Street. The interface between the proposed development and the border crossing with the existing 175A Street width, proposed sound barrier fencing and large berm with landscaping will successfully separate the two uses.

Our preliminary analysis of developing the property as a low density townhouse project will provide an affordable product type that is not currently available in the Douglas community. The project will benefit the wider Douglas community by:

- supporting struggling commercial development at the Gateway project and not detracting from future neighbourhood commercial opportunities planned within the centre of Douglas;
- contributing additional residents and children to help increase the demand for the needed, proposed school and public transit (a key concerned raised through of preconsultation);
- not further acerbating existing truck/vehicular traffic issues typically associated with commercial development (a key concern raised by residents);
- implementation of additional noise and visual mitigation elements to address negative impacts associated with border operations and traffic;
- preserving as much of the existing trees and vegetation into design of the project;
- ensuring the lands are used to meet the needs of the community not the outdated needs of supporting border operation that do not demand lands to further support its operations;
- providing a compatible use that the existing residential neighbours will embrace not oppose (a key concern raised by residents);
- construction of a landscape buffer on the east and west side of the site;
- installing additional noise and visual mitigation elements to address the border operations; and
- contributing additional residents and children to help increase the demand for the needed and proposed school and bus route for the Douglas community.

Many of the City's OCP Policies, the recent Corporate Report entitled *Market & Land Use Analysis – Pacific Highway Border Crossing* and good land use planning principles lend support the use of the property for residential purposes. Furthermore, we feel that use of the property for residential purposes is most appropriate to respectfully meet the needs of the Douglas community and its residents.