

Committee of the Whole Report

For the Meeting of July 28, 2022

To: Committee of the Whole **Date:** July 5, 2022

From: Karen Hoesel, Director, Sustainable Planning and Community Development

Subject: **Zoning Regulation Bylaw Amendment - Self-Storage Facilities and Vehicle Storage Lots**

RECOMMENDATION

That Council direct staff to prepare amendments to the Zoning Regulation Bylaw to prohibit self-storage facilities and vehicle storage lots within existing industrial zones and bring forward the amendment bylaw for first and second readings prior to consideration at a public hearing.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with a summary of emerging issues related to the operation and location of self-storage facilities and vehicle storage lots on industrial lands, and recommendations for updating the *Zoning Regulation Bylaw* to prohibit these uses.

The majority of Victoria's industrial employment land base is located within the Rock Bay area of the Burnside neighbourhood and its role and function is reinforced through land use policies contained in the *Official Community Plan* (2012) and the *Burnside Gorge Neighbourhood Plan* (2017). Further, the *Victoria 3.0. (2020-2041) Economic Action Plan*, adopted in May 2020, envisions the development of an Arts and Innovation District within Rock Bay that will serve as a hub for high tech, research and the arts and will be a catalyst for vitality and a strengthened economy.

Victoria's industrial lands are regulated through the *Zoning Regulation Bylaw* which includes a range of industrial zones that have been in effect since 1980 and accommodate light industrial, heavy industrial and other uses, including self-storage warehouses and vehicle storage lots. Recently, the City received two development applications for new self-storage facilities and further enquiries related to self-storage facilities and vehicle storage lots on industrial lands. Staff have noted a concern with these uses since they tend to be land consumptive, generate minimal levels of employment, and do not align with the land use policies and vision for the City's industrial lands. Further development of these uses may also impact the ability to accommodate other employment generating uses that are more land efficient and better align with existing policy directions.

Therefore, staff propose to amend the *Zoning Regulation Bylaw* to prohibit the development of new self-storage facilities and storage lots for vehicles. The proposed Zoning Regulation Bylaw amendments would not take effect until a pre-determined date to ensure that all existing active development permit applications for new self-storage facilities and storage lots for vehicles can

continue to be processed under the current zoning regulations without requiring a rezoning application.

PURPOSE

The purpose of this report is to seek Council direction to update the industrial zones contained in the *Zoning Regulation Bylaw* to ensure efficient use of scarce industrial lands.

BACKGROUND

The majority of Victoria's industrial land base is contained within the Rock Bay area of the Burnside neighbourhood and the role of these lands for industrial and employment purposes is reinforced through land use policies contained in the *Official Community Plan* (OCP), 2012 and the *Burnside Gorge Neighbourhood Plan* (2017).

Official Community Plan (2012)

The OCP establishes a variety of urban place designations for the Rock Bay area that support a range of light and heavy industrial uses and activities along with supporting commercial uses as summarized below:

- **Industrial Employment:** Light industrial, manufacturing, warehousing, distribution, repair and limited retail/commercial
- **Marine Industrial:** Large lots with primary processing, marine related industrial, marine transportation, warehousing, shipping, bulk materials and accessory office
- **Core Employment:** Light industrial, high tech, marine industrial, research and development, commercial and limited residential
- **General Employment:** Light industrial, commercial including office and retail, education, research and development, and health services.

Burnside Neighbourhood Plan (2017)

The *Burnside Neighborhood Plan* outlines a vision and policy direction for Rock Bay premised on continuing to serve as Victoria's urban industrial district. This includes the waterfront as a key location for heavier, often marine-dependent industries, while the rest of the district contains a mix of industrial and employment-generating uses. The neighbourhood plan also provides an overarching principle of "industrial first", ensuring that industrial uses are given precedence over other uses such as residential.

The *Burnside Neighbourhood Plan* also identifies portions of Bridge Street, Store Street and Government Street for the emergence of an 'Industrial Arts District', defined by artisan-oriented manufacturing and retail activities in combination with light industrial uses. The Neighbourhood Plan also contains key implementation actions including direction to update zoning in Rock Bay to align with these land use directions and better support economic development.

Zoning Regulation Bylaw

Development on industrial lands is regulated through the *Zoning Regulation Bylaw* which contains a range of light industrial and heavy industrial zones that apply within the city's industrial lands primarily contained within the Burnside neighbourhood as well as within portions of the Downtown and Victoria West neighbourhoods. Many of these zones were developed in the 1960s and were carried forward into the *Zoning Regulation Bylaw* that has been in effect since 1980. The light industrial zones permit a range of 'light industrial' activities and support services such as bakeries,

car washes, dry cleaners, garages, vehicle sales, high tech and professional offices. The heavy industrial zones generally accommodate similar uses as the light industrial zones in addition to more intensive or impactful uses such as breweries, distilleries, utility/power plants, garbage incineration, junk yards and sawmills. The light and heavy industrial zones all permit warehouses and storage lots for vehicles.

Victoria 3.0 (2020-2041)

The Rock Bay area is also subject to more recent policy direction contained in *Victoria 3.0* (2020-2041) that was adopted by Council on May 14, 2020, as a long-term economic action plan for Victoria. One of the key actions outlined in *Victoria 3.0* is the creation of an Arts and Innovation District within the Rock Bay area, including related City-initiated rezoning to implement the vision and objectives.

The City recently commenced a process to develop an Action Plan for the Arts and Innovation District. The 'district' is envisioned as an attractive area where leading-edge anchor institutions and companies will cluster, collaborate and connect with start-ups, business incubators and accelerators. The Action Plan for the Arts and Innovation District is exploring ways to leverage Victoria's industrial lands to create new employment opportunities and diversify the regional economy.

ISSUES & ANALYSIS

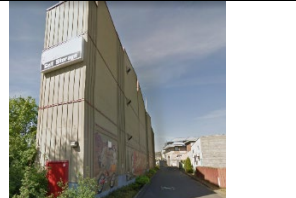
1. Protecting Victoria's Limited Industrial Land Base

The City has two development applications for self-storage facilities and further enquiries related to the development of self storage facilities and vehicle storage lots on industrial lands in or near the Arts and Innovation District. Although these uses are permitted through the respective industrial zones, there is a general concern that they tend to generate low levels of employment and require extensive amounts of industrial land. At the same time, the City has a number of existing self-storage facilities. Therefore, the continued development of these uses may impact or limit the ability to accommodate other uses that are better aligned with existing policy directions including the recent vision of for the Arts and Innovation District.

2. Self-Storage Facilities

Self-storage facilities tend to be used for storage of residential or personal goods. The map and table below identify a total of five existing self-storage facilities within Victoria, including four facilities in the Burnside neighbourhood and one in Victoria West. The City is also currently evaluating two development applications for new self-storage facilities, one located in the Burnside neighbourhood (2300, 2310 and 2312 Douglas Street) and the other in the North Park neighbourhood (2120 Quadra Street). Both proposed facilities are indicated in the map and table. Three of the existing facilities in the Burnside neighbourhood are located within the proposed boundary for the Rock Bay Arts and Innovation District which generally includes the lands located south of Bay Street, west of Blanshard Street, north of Chatham Street and east of the Harbour.



1. 776 Topaz Avenue Zone: M2-I	2. 747 Princess Avenue Zone: M-1	3. 644 Queens Avenue Zone: M2-I	4. 505 Tolmie Lane Zone: M-2
			
5. 630 Esquimalt Road Zone: M-2	6. 2300 Douglas Street Zone: M-1 (Proposed Development)	7. 2120 Queens Avenue Zone: M-2 (Proposed Development)	
			

3. Storage Lots for Vehicles

The M-1, M-2, M2-I, M-3, and S-1 industrial zones allow for the sale and rental of vehicles along with the storage of undamaged vehicles. While it is recognized that vehicle sales and rentals are a common use in cities, there is concern that these uses tend to be highly land consumptive and often rely on additional off-site vehicle storage. The map below identifies six existing vehicle storage lots that are located on industrial lands. In total these storage lots cover approximately 17,883 m² (4.4 ac.) of industrial lands.



Site	Address	Area (m ²)
1	3123 Delta Street	669
2	500 Frances Avenue	1332
3	3106 Douglas Street 637/645 Frances Avenue	2828
4	617 Gorge Road East	1382
5	648 John Street 631 Hillside Avenue	3308
6	280 Bay Street 130 Langford Street 150 Langford Street 180 Langford Street	8364
		Total 17,883 m ² 4.4 ac.

4. Zoning Solutions

To mitigate the potential further loss of the City's industrial employment lands to low employment and land consumptive uses, staff are seeking direction to prepare amendments to the industrial zones contained in the *Zoning Regulation Bylaw* to prohibit the further development of self-storage facilities and vehicle storage lots.

New Definition for Self Storage Facilities

'Warehouse' is listed as a permitted use in most existing industrial zones, however, since 'warehouse' is not a defined use in the *Zoning Regulation Bylaw*, it has been interpreted and used to permit 'typical' stand-alone industrial warehouse buildings as well as self-storage facilities that are used for the storage of residential or personal goods. Therefore, to provide improved clarity and interpretation, staff propose to develop separate definitions for 'warehouse' and 'self-storage facilities'.

Warehouses would continue to be permitted in all industrial zones as they are an integral component of industrial activity. However, 'self-storage facilities' would not be identified as a permitted use in the industrial zones. This means that any future proposal for a 'self-storage facility' would no longer be accommodated under the definition of 'warehouse' and would require a rezoning application that would be evaluated against relevant land use policies and would also require consideration by Council.

Revised Definition for Storage Lots

Staff propose to revise the existing definition of 'storage lots' to prohibit the storage of vehicles for sale or rental. For example, this would mean that a vehicle dealership would continue to be allowed to store and display vehicles on the primary lot where their sales office is located, however, they would not be able to use other off-site lots for overflow or additional storage in industrial zoned areas. The use of off-site lots for vehicle storage would require a rezoning application and consideration by Council.

Transition Clause

The proposed Zoning Regulation Bylaw amendment would include a transition clause whereby the bylaw would not take effect until a pre-determined date to ensure that all existing active development permit applications for new self-storage facilities and storage lots for vehicles are processed under the current zoning regulations and avoids triggering the need for a rezoning application for these proposals.

5. Impacts of Zoning Changes

If the recommended amendment to the *Zoning Regulation Bylaw* to no longer permit 'self-storage facilities' and 'vehicle storage lots' in the industrial zones is approved, then all existing self-storage facilities and vehicle storage lots would be considered 'legal non-conforming' as per section 528 of the Local Government Act (LGA). This means that a use can legally continue to exist and operate as a 'non-conforming' use regardless of the zoning changes. However, if a non-conforming use is discontinued for a continuous period of six months, then the use would become subject to the *Zoning Regulation Bylaw* and would no longer be permitted. In addition, the LGA prohibits any structural alterations or additions to be made to a building that contains a non-conforming use.

6. Initial Feedback for Arts and Innovation District

In anticipation of a formal planning process for the District, staff retained third-party consultants in early 2022 to initiate background studies related to environmental, market, and land economic conditions. This process included engagement with stakeholder focus groups comprised of property owners, businesses, development industry, arts, and culture.

One of the key themes that emerged from these focus groups was the need to update existing industrial zoning regulations to ensure they provide greater flexibility and can accommodate a broader range of uses and activities that align with the vision for the Arts and Innovation District and will generate greater employment and vitality. Stakeholders also stressed the importance of ensuring that Victoria's limited industrial land base remains competitive and attractive for industrial activities within the region.

Accessibility Impact Statement

The proposed *Zoning Regulation Bylaw* amendment to prohibit self-storage facilities and vehicle storage lots does not have any impacts on accessibility. It is anticipated that the process of developing new land use policies for the Arts and Innovation District will include consideration for improving universal accessibility within the public realm and the interface with new buildings.

2019 – 2022 Strategic Plan

This project supports Objective 4: Prosperity and Economic Inclusion, as the Zoning Bylaw amendments will better support the ability to locate employment generating uses and activities on the City's industrial lands. This project also supports two related actions from the Strategic Plan (2019-2022):

- Talk with industrial landowners, managers, and users about industrial land — its use, zoning, taxation, etc. — review industrial land use and values every five years
- Develop a vision and implementation framework for the Arts and Innovation District.

Impacts to Financial Plan

Amending the *Zoning Regulation Bylaw* will not have any impacts to the *Financial Plan*.

Official Community Plan Consistency Statement

This work is consistent with the OCP which includes a goal to generate economic growth through innovation, entrepreneurship and business formation and attract and retain sustainable enterprise well-suited to the region. The periodic updating of industrial zoning regulations also aligns with the adaptive management goals and objectives.

CONCLUSIONS

The proposed amendments to the *Zoning Regulation Bylaw* will help ensure that the City's limited industrial employment lands are retained for employment intensive and land efficient activities to support the objectives of the City's long-term economic action plan (Victoria 3.0).

Respectfully submitted,

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Report accepted and recommended by the City Manager:

Date: _____