

DATE OF MEETING February 25, 2019

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SUBJECT REZONING APPLICATION NO. RA397 – 4900 ISLAND HIGHWAY NORTH

OVERVIEW

Purpose of Report

To present Council with a rezoning application for a site-specific amendment to the Community Corridor (COR3) Zone to permit automobile sales, service, and rental use within the subject property at 4900 Island Highway North.

Recommendation

That Council deny the application and the associated readings to “Zoning Amendment Bylaw 2019 No. 4500.131” (To rezone 4900 Island Highway North in order to permit site-specific automobile sales, service, and rental use).

BACKGROUND

A rezoning application (RA397) for 4900 Island Highway North was received from Holland Planning Innovations Inc., on behalf of 1960400 Ontario Ltd. The applicant is requesting an amendment to the Community Corridor (COR3) Zone in order to permit automobile sales, service, and rental as a site-specific use within the subject property.

Prior to and following the purchase of this property, Staff met with the applicant and other consultants to discuss the proposed amendment, policy implications, opportunities to incorporate additional uses within the proposal, and to advise the applicant that Staff could not support the application as presented (see Attachment A - Summary of Application Timeline). After receiving the application on 2018-AUG-08, Staff brought a report to Council on 2018-SEP-17 requesting that Council deny the application and direct Staff not to proceed with the application review. However, Council directed Staff to proceed with the review and referral process, which has now been completed.

Subject Property & Site Context

<i>Location</i>	The subject property is located in the Long Lake neighbourhood on Wills Road, approximately 70m southeast of the Island Highway and Rutherford Road intersection.
<i>Lot Area</i>	8,561m ²
<i>Current Zone</i>	COR3 - Community Corridor
<i>Proposed Zone</i>	COR3 - Community Corridor with site-specific automobile sales, service and rental as a stand-alone use.
<i>Official Community Plan Designation</i>	Corridor

The subject property was formerly occupied by Long Lake Nurseries Garden Centre. The nursery opened in 1975 and closed in January 2017. The property was subsequently purchased by the current owner and the nursery buildings demolished, leaving the site vacant. Given the longevity of the nursery, this is the first redevelopment opportunity in 44 years on this site.

The property is a corner lot that is separated from the Island Highway by Wills Road, a frontage road that bends sharply around the northwest corner of the property. The property is centrally located within the Long Lake neighbourhood, approximately 65m from the lake, and is surrounded by a mixture of established uses including:

- Retail (Long Lake Plaza, North Nanaimo Town Centre);
- Office (Lake View Centre, Workers Compensation Board);
- Multiple-family housing (Waterdown Quay, Lakeside Villas);
- Hotels (Inn on Long Lake, The Grand Hotel);
- Seniors' housing and care facilities (Nanaimo Memory and Complex Care); and
- Park and trail access to recreational amenities at Long Lake.

DISCUSSION

Proposed Development

The applicant proposes a site-specific amendment to the existing property zoning (COR3 Zone) in order to permit two stand-alone automobile sales dealerships that would include auto repair and detailing shops. The development concept includes three buildings to accommodate Subaru (1,058 m²) and Porsche (794 m²) dealerships, as well as a parkade structure (1,544m²), with a combined floor area of 3,395 m². The existing Subaru dealership located at 2476 Kenworth Road will relocate and expand within the proposed site, and the former Subaru site will be replaced with similar automobile sales/repair uses. The proposed buildings are anticipated to be two storeys in height, with the dealership offices on the second storey. Vehicle parking onsite includes surface parking and a parkade structure that is to be built near the rear of the property.

The applicant has provided the following rationale in support of the proposed automobile sales, service, and rental use in this location:

- The property has good highway visibility;
- Proximity to other automobile sales, service, and rental uses;
- Proposed access will not disturb neighbours;
- Traffic impacts are “small” on nearby residents;
- Customers to dealerships will support existing local businesses; and
- “The city is growing and needs additional dealerships.”

The applicant has also identified the following benefits that could result from the proposed development:

- Upgrades to Wills Road (sidewalk extension, bike lane, parking, and boulevard landscaping);
- Upgraded transit stop as part of the community amenity contribution;

- Landscape buffer between the proposed dealerships and adjacent residences (Waterdown Quay);
- Estimated 70 new jobs as well as construction jobs; and
- Value of investment and increased commercial tax revenue for the City.

For clarification, Staff note that frontage works and services to upgrade Wills Road would be required with any redevelopment of the subject property in order to achieve a functional road and pedestrian facilities, including sidewalk and bike lane improvements. The applicant is proposing their community amenity contribution be directed towards additional off-site improvements to complete a section of sidewalk/bike lane along Wills Road and potentially upgrade a transit stop.

See Attachments for more information.

Policy & Regulatory Context

Official Community Plan

The Official Community Plan (OCP) designation for the subject property is “Corridor.” Development within Corridors shall be characterized by medium- to high-density residential, mixed-use commercial/residential, office uses, and public amenities. In the past, Corridors were focused on expediting vehicle travel through the city; however, Council’s policies, as outlined in the OCP, support a broader approach where the Corridors evolve with new multiple uses and achieve more efficient land use patterns:

- *“Opportunities to increase the mix and intensity of uses along Corridors will be supported through development and redevelopment opportunities.”*
- *“Corridors shall be the future focus of mid to high residential densities that recognize a human scale and pedestrian oriented form of development.”*

Specifically, the Corridor designation sets a residential density target of 50 to 150 units per hectare, in two- to six-storey building forms. For example, on the subject property, this would equate to 42 to 128 residential units.

Stand-alone commercial uses are discouraged within the Corridor designation, and the overall design of Corridors are intended to:

- *“[S]upport the needs of pedestrians, cyclists, and public transit with aesthetic characteristics that contribute to a vibrant economy and street life.”*

Development of the Corridors in accordance with OCP policies will benefit the city as a whole by linking Urban Nodes and Neighbourhoods with “energetic and human scaled connectors”. The OCP intends that each Corridor will build on the unique characteristics of the surrounding neighbourhood and will contain an “individualized mix of uses and services.”

The OCP addresses automobile sales, service, and rental use within the Light Industrial designation:

- *“Rezoning for vehicle sales, repair, and rental uses may be supported on properties designated Light Industrial and located within the Shenton Road and Boban industrial areas.”*

In recognition of the potential land use impacts (e.g. noise, aesthetic, environmental) that are typically associated with automobile sales, service, and rental use, the OCP considers this use to be more appropriately located within industrial areas, leaving Corridor lands to be redeveloped to the highest and best use. While it may be argued that this direction may have impacts on industrial lands, Staff note that not all industrial lands permit this use; only a specified portion of the community intentionally allows an auto mall. Moving forward, consideration needs to be given to how this use, which requires significant land area, can be best accommodated within the city.

The OCP clarifies the community’s vision to see the auto-oriented corridors of the city evolve into more efficient and sustainable forms of development. Supporting the proposed stand-alone auto-oriented use within the subject property would underutilize this Corridor property, contrary to the OCP, and hinder its future development potential.

Transportation Master Plan

The Nanaimo Transportation Master Plan (NTMP) reinforces the land use and transportation policies in the OCP by designating Urban Nodes and prominent Commercial Centres in the city as Mobility Hubs. The subject property is located within the focal area of the North Nanaimo Mobility Hub (130m from the mall) and adjacent to the Country Club Mobility Hub. It is also located within 400m of four transit routes, which provide connection to other mobility hubs, and within 150m of the E&N Trail, which provides an active transportation link to the Hospital Area and Downtown Mobility Hubs. A soft-surface pedestrian trail also connects Wills Road (via Lakeview Road trail) to the Long Lake Heights strata housing development on the north side of the Lake. The subject property is, therefore, centrally located and well-connected to the existing Long Lake neighbourhood, recreational amenities, and opportunities for alternative modes of transportation, making it well-suited for a variety of uses and higher-density forms of development.

The NTMP encourages future development within the area to focus on improving pedestrian/cyclist mobility and comfort while breaking down barriers formed by major roads in order to increase the amount of walking and cycling within the mobility hubs. The NTMP would therefore support a street-oriented development within the subject property that improves the pedestrian experience within the neighbourhood.

Community Sustainable Action Plan

Nanaimo’s Community Sustainability Action Plan supports building a more sustainable community by reaching higher density levels in the Urban Nodes and Corridors identified in the OCP. Goal No. 2 of the Action Plan states that increasing density in these areas “will provide the higher levels of servicing and amenities that will help support greater alternate transportation options and lower greenhouse gas (GHG) emissions over the long term.” The Action Plan recommends the City encourage transit-oriented development (ToD) to promote the

development of higher-density, mixed-use developments with pedestrian and cycling facilities along high-frequency transit routes, such as the area where the subject property is located.

Nanaimo Affordable Housing Strategy

Council adopted the Nanaimo Affordable Housing Strategy in 2018. The Strategy identifies priorities for the City to address non-market and market housing affordability needs across the housing continuum. The Strategy promotes affordable housing through innovations (e.g. density bonus provisions) and partnership agreements between developers and other housing providers. The Strategy reinforces OCP policies to diversify housing options in all neighbourhoods, and to support housing within mixed-use corridor developments in proximity to transit and amenities. With a currently low vacancy rate of 2.4%, and a rapidly growing population, the demand for housing is strong and is reflected in increasing rental rates, according to CMHC. Therefore, the City needs to maximize opportunities to develop sites designated for mixed use to their highest and best use consistent with the OCP and Housing Strategy.

Zoning Bylaw – Corridor Land Uses

The Community Corridor (COR3) Zone was established with the adoption of “Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) to recognize *existing* stand-alone commercial uses and to incentivize mixed-use developments within Corridor-designated properties. The COR3 Zone is intended to provide a range of uses to meet the day-to-day needs of the surrounding community, such as multiple-family dwellings, neighbourhood pub, restaurant, personal care facility, office, retail, live/work, seniors’ housing, veterinary clinic, etc. Automobile sales, service, and rental use is not a “permitted use” in the Corridor zones, but is recognized in Section 9.2.3 of the Zoning Bylaw as being “permitted on a site-specific basis” for a number of *existing* properties in the city. The properties were zoned as such when the Zoning Bylaw was introduced in order to recognize existing uses that would have otherwise become non-conforming when the Bylaw was adopted. Rezoning to allow *new* automobile sales, service and rental sites are supported by OCP policy, but only in the Shenton Road and Boban industrial areas, as discussed previously in this Staff report.

The proposed stand-alone automobile sales, service, and rental use does not comply with the intent of the OCP or zoning, as the subject property is not located within the specified industrial areas and the zoning does not allow the use within the subject property.

Site-Specific Zoning

The applicant has referenced in their rationale another site-specific example of automobile sales, service, and rental use in the Corridor Zone, which was approved by Council in 2017. This application involved an OCP amendment and rezoning to allow a mixed-use development on the former Madill industrial lands located at 2560 Bowen Road. The Madill rezoning differs substantially from the proposed amendment at 4900 Island Highway North and should not be considered as a precedent for allowing this auto-oriented use in the Corridor Zone:

- Madill was a ‘brownfield’ (industrial) redevelopment surrounded by existing industrial uses and car dealerships:

- The OCP amendment from Light Industrial to Corridor was supported because the re-designation aligned with adjacent Corridor lands and complied with the general intent of the OCP to allow for mixed-use development in urban areas close to amenities;
- The Madill comprehensive development included a mix of uses (retail, office, seniors' congregate care) with only a portion of the site (35%) allocated to automobile sales, service, and rental use;
- The rezoning accommodated the expansion of an *existing* car dealership (Laird Wheaton GM) from an adjacent property, as well as new dealerships within the established auto precinct area; and
- Madill's land uses were restricted due to limited capacity in the existing road network, so the automobile sales use helped reduce the traffic demand until network upgrades would permit further intensification of uses as permitted in the Corridor Zone.

It is further noted that the Madill development created three new lots (1.8 ha in total) that permit automobile sales, service, and rental use within an existing auto precinct area and, therefore, increased the amount of land dedicated to automobile sales, service and rental within the city.

Land Use Compatibility

Historically, the subject property functioned as a highway commercial site, but, as previously noted, the OCP policy and zoning have evolved to encourage new forms of development. The neighbourhood fabric has also evolved with the introduction of Mostar Road connecting to the Nanaimo Parkway and the intensification of land uses near the site, making the Long Lake neighbourhood an emerging gateway community. More than 600 residential units exist, or are proposed, within the immediate vicinity of the subject property, as summarized in the following table:

Existing Development (Constructed)	
4949 Wills Road and 4969 Wills Road	92 condominium units (combined total)
4989 Wills Road	79-unit personal care facility (Nanaimo Memory & Complex Care)
4960 Songbird Place	63-unit apartment building
Proposed Development (Active Applications)	
4979 Wills Road	160 senior's housing units
4961 Songbird Place	80-unit apartment building
4800 Cedar Ridge Place	172-unit multi-family development
Total Residential Units	646 units

Due to its proximity to recreational amenities at Long Lake, residential development, shopping and local services, employment centres, and transit, the subject property is strategically located for a more intensive infill development that would contribute positively to the character, density, and human scale of the neighbourhood. Automobile dealerships are by their very nature not pedestrian-oriented development types and typically detract from the pedestrian experience.

Staff, therefore, have serious concerns about the impacts of the proposed automobile sales, service, and rental use in the heart of the Long Lake neighbourhood:

- The proposed amendment would set a precedent for encouraging more automobile sales, service, and rental uses outside of the established auto precinct areas;
- The proposed development will detract from the human scale of the Corridor and the neighbourhood character and development pattern established in the Long Lake neighbourhood;
- The proposed use will hinder the ability to achieve the community's vision for a walkable, human-scale development and diversity of housing options near existing services, employment, transit, and recreational amenities at Long Lake;
- The proposed use would introduce potential land use conflicts with adjacent residential uses (e.g. truck movements near seniors' housing; aesthetic impacts; noise from auto repair services); and
- The proposed stand-alone car dealerships would preclude a more efficient mix of uses, with residential units or local services that better support and complement existing businesses, job opportunities, and residential uses.

Suitability of the Site

One of the concerns raised by the applicant is the suitability of the site for residential development. The applicant's rationale states that the site is "too close to a busy highway for healthy living and sleeping", given the potential noise from traffic. Staff note a number of residential and mixed-use developments have been constructed, or are currently under construction, adjacent to the Island Highway and other major roads, including but not limited to:

- 775 Terminal Avenue ("Crest") – a 121-unit rental apartment building;
- 5160, 5180, 5190, 5200, 5220, 5240 and 5260 Dublin Way ("Pacific Station") – a mixed-use development that includes commercial units and townhouses along Metral Drive and a rental apartment building located adjacent to the Island Highway, approximately 400m from the subject property;
- 6540 Metral Drive – a mixed-use development containing commercial units and condominiums located across Metral Drive from Home Depot;
- 6975 Island Highway North – three rental apartment buildings with a total of 146 units; and
- various townhouse and apartment form housing on Highland Boulevard, adjacent to a highway speed limit of 70km per hour.

The proposed automobile sales development is in sharp contrast with the contemporary forms of new corridor developments emerging, as envisioned by the OCP, in urban nodes, commercial centres, and mobility hubs. Given the size (8,562m²) and dimensions of the subject property, there is sufficient site area to achieve a mixed*use development with comparable setbacks to existing development along the Island Highway corridor.

Economic Impact

The value of the automobile sales/service industry in Nanaimo is well-recognized. It is also important for Council to consider the economic benefits of other growing sectors in the city and within the Long Lake neighbourhood. For example, the proposed seniors' congregate housing development at 4979 Wills Road (companion building to the Nanaimo Complex Memory Care

facility) is estimated to be a \$50 million investment in the city and would create approximately 50 new jobs related to seniors' care, in addition to providing new housing options. Staff anticipate bringing this development permit application to Council for consideration in the near future.

In addition to considering housing within the subject property, to address a growing demand and very low vacancy rate (2.4%), redevelopment of this site could offer addition office/retail space, which is in growing demand (office vacancy rate has declined from 10% to 6-7% according to Colliers International).

Community Input

The proposed rezoning application was referred to the Wellington Action Committee (Neighbourhood Association) who provided the following comments (see Attachment G):

- Given the property's strategic location near shopping, transit, schools, lakes and employers, the Association supports higher-density mixed commercial and family housing consistent with the OCP; and
- The Association "*would not be supportive of any rezoning which regresses from the OCP plan.*"

Community Planning and Development Committee

On 2018-OCT-16, the Community Planning and Development Committee recommended that Council approve Rezoning Application No. RA397.

Conditions of Rezoning

Should Council wish to proceed with this application, Staff recommend the following conditions be secured prior to final adoption of "Zoning Amendment Bylaw 2019 No. 4500.131":

1. *Community Contribution*
As outlined in Section 7.3 of the OCP, in exchange for value conferred on land through a rezoning, the applicant should provide a community contribution. The applicant proposes a monetary contribution of \$115,430 at a rate of \$34/m² of commercial space to be directed towards active transportation and pedestrian improvements, which are beyond the required frontage works and services.
2. *Road Dedication & Statutory Right-of-Way*
Approximately 1.6m of road dedication is required along the north property line and corner rounding, as well as a statutory right-of-way to protect the sidewalks as proposed along the west property frontage.
3. *Utility Rights-of-Way*
Update existing rights-of-way on the property title to reflect current servicing (water, sanitary, and storm sewer) within the property.

OPTIONS

1. That Council deny the application and the associated readings to “Zoning Amendment Bylaw 2019 No. 4500.131” (To rezone 4900 Island Highway North in order to permit site-specific automobile sales, service and rental use).
 - **Policy Implication:** Denying the proposed use in this location would reinforce the strategic goals and objectives of the City’s major policy documents, including the OCP, the Transportation Master Plan, Community Sustainable Action Plan, and the Affordable Housing Strategy.
 - **Engagement Implication:** Affirms support for the input received from the broader community when developing these City policy documents.
 - **Strategic Priorities Implication:** Supports the Strategic Values of Environmental Responsibility and Economic Development, recognizing that the proposed low-density land use does not reflect the highest and best use of this key property in the Long Lake neighbourhood.

2. That Council grant first and second reading to “Zoning Amendment Bylaw 2019 No. 4500.131” (To rezone 4900 Island Highway North in order to permit site-specific automobile sales, service and rental use); and direct Staff to secure the community contribution, road dedication, and rights-of-way prior to the adoption of the bylaw, should Council support the bylaw at third reading.
 - **Policy Implication:** Not supported by any of the City’s policies and plans governing land use, transportation, and housing.
 - **Strategic Priorities Implication:** Does not align with the City’s Strategic Values and vision to “shape Nanaimo’s future as a progressive urban and cultural community”.
 - **Add Other Implications:** By permitting the development of this property as a stand-alone car dealership, the City would lose the opportunity to add a higher-density use that would be more appropriate for this particular location in the Long Lake neighbourhood. If approved, it is anticipated this would encourage other similar uses along the Island Highway corridor, contrary to OCP policy direction to cluster these uses in designated areas. |

SUMMARY POINTS

- The City has received a rezoning application for a site-specific amendment to the COR3 Zone to permit two automobile dealerships within the subject property.
- The OCP and other Council policies governing land use, transportation and housing, do not support rezoning in this location for automobile sales, service, and rental use.
- The subject property is designated Corridor, which permits medium- to high-density residential and mixed-use developments with public amenities.
- The property is centrally located and well-suited to promote transit service and alternative modes of transportation.
- The proposed stand-alone auto-oriented use is not the highest and best use of the site and would detract from the residential character of the Long Lake neighbourhood.
- Staff advised the applicant that the proposed use is not appropriate in this location, but could be supported in other areas per OCP policy.
- If approved, the proposed amendment would set a precedent for more auto-oriented uses along the Island Highway corridor contrary to the OCP.
- Staff recommend that Council not support the application and deny the associated readings of “Zoning Amendment Bylaw 2019 No. 4500.131”.

ATTACHMENTS

ATTACHMENT A: Application Timeline Summary
ATTACHMENT B: Location Plan
ATTACHMENT C: Conceptual Site Plan and Project Data
ATTACHMENT D: Conceptual Building Elevations
ATTACHMENT E: Streetscape / Shadow Study
ATTACHMENT F: Neighbourhood Association Letter
ATTACHMENT G: Aerial Photo
“Zoning Amendment Bylaw 2019 No. 4500.131”

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