

DATE OF MEETING December 20, 2021

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**SUBJECT REGIONAL GROWTH STRATEGY MINOR AMENDMENT –
1329, 1333, AND 1340 KIPP ROAD**

OVERVIEW

Purpose of Report

To provide Council's comments to the Regional District of Nanaimo's Board regarding the Regional Growth Strategy amendment for the properties addressed 1329, 1333, and 1340 Kipp Road.

Recommendation

That Council:

1. support the proposed Regional Growth Strategy amendment; and
2. direct Staff to forward Council's decision to the Regional District of Nanaimo's Board.

BACKGROUND

On 2021-NOV-24, the Regional District of Nanaimo (RDN) Board referred a proposed Regional Growth Strategy (RGS) amendment bylaw for the parcels addressed 1329, 1333, and 1340 Kipp Road to City Council for comment (Attachments A and B). The subject properties are located outside the City of Nanaimo boundary and immediately south of the intersection of Highway 1 and the Duke Point Highway (Attachment C). The proposed amendment would change the RGS land use designation for the subject properties from 'Rural Residential' to 'Industrial' (Attachments D and E).

The RDN Board adopted the existing RGS on 2011-NOV-22, following the previous approval by RDN member municipalities. The RGS is a strategic plan that represents a commitment between the RDN and its member municipalities to support a more sustainable region by coordinating actions that foster shared sustainable social, economic, and environmental goals. Managing growth in a sustainable manner through land use designations and a Growth Containment Boundary (GCB) are fundamental aspects of this strategic agreement.

Consistent with the RGS amendment approval process, and in accordance with the *Local Government Act*, the RDN must determine whether a proposed amendment is considered 'major' or 'minor' prior to referring the proposed changes to member municipalities for either their feedback or acceptance. Amendments considered 'major' include those that lead to adverse impacts to the environment and agricultural lands, require significant works to address a natural hazard, or require new community water and sewer systems outside of the GCB and/or are not consistent with measures or policies to reduce greenhouse gas emissions or improve air quality. The types of RGS amendments considered 'minor' can include those that result from a full Official Community Plan review, or administrative text or mapping changes.

At its meeting on 2021-NOV-23, the RDN Board determined that the proposed application could proceed as a 'minor' amendment to the RGS. In accordance with the RGS process for 'minor' amendments, the City has 45 days to provide comment on the proposed RGS amendment prior to the RDN Board considering the application at first and second reading of the associated amendment bylaw.

The RGS provides the RDN Board with the authority to approve or deny minor amendments to the strategy.

DISCUSSION

Proposed Development

VMAC Global Technology Inc. (VMAC) owns the subject properties at 1329, 1333 and 1340 Kipp Road. VMAC operates an engineering and manufacturing business at 1329 and 1333 Kipp Road. VMAC proposes to expand its business to accommodate the demand for its industrial products by developing the two adjacent undeveloped parcels of land at 1340 Kipp Road that front the Trans-Canada Highway 1.

Policy Review

The Official Community Plan (OCP) for RDN Area A designates the lands at 1329 and 1333 Kipp Road as South Wellington Light Industrial and Commercial. Although the OCP identifies the undeveloped lands at 1340 Kipp Road as Rural Resource, it also identifies it as within the boundary of the "Potential Expansion of the South Wellington Light Industrial and Commercial Area".

The subject properties are designated Rural Residential in the RGS. This land use designation is intended to support residential development on larger lots with or without community water or sewer systems. VMAC has conducted industrial land uses at 1329 and 1333 Kipp Road since 1990 with plans, noted previously, to continue and expand the existing land use onto the lands at 1340 Kipp Road into the near future. These current and proposed lands uses are not consistent with the existing RGS Rural Residential land use designation.

The RGS designates adjacent lands east of Highway 1 and south of the subject properties as Industrial. The proposed RGS land use amendments would facilitate the operations and expansion of an existing industrial business that is compatible with nearby industrial uses along the Trans-Canada Highway near Duke Point. Kipp Road supports existing vehicle traffic serving the local industrial-designated properties.

The subject properties' proximity to key transportation infrastructure, including Highway 1, Port of Nanaimo and Nanaimo Airport, would support the growth and continued development of the region's industrial centre at Duke Point. The properties also provide a buffer between the highway and more rural land uses. This is consistent with policies under Goal 3 of the RGS: Coordinating Land Use and Mobility, that support industrial development in locations that facilitate efficient movement of goods, have appropriate site conditions (e.g., level site), and will have minimal impact on the quality of life in residential areas.

The proposed amendment is also consistent with policies under Goal 7 of the RGS: Enhance Economic Resiliency, that support ensuring that sufficient land is available in appropriate locations of the region for desirable economic development activity, and ensuring that the region remains competitive in its ability to attract industrial development. The City's 2020 Land Inventory and Capacity Analysis (Attachment F) further identifies the need for, and supports increasing the availability of industrial land in appropriate areas of the city and the region.

Staff recognize this application as a 'minor' amendment, as it is consistent with the surrounding industrial corridor in South Wellington. The application highlights the impacts of not having readily available industrial land within the city of Nanaimo, and the way this stimulates development outside of the city within the regional district of Nanaimo. The REIMAGINE Nanaimo process has highlighted the need to identify additional industrial lands to support the local and regional economy. Going forward, the City may wish to work with the Regional District to explore opportunities for better coordination of industrial lands in the region.

OPTIONS

1. That Council:

1. support the proposed Regional Growth Strategy amendment; and
2. direct Staff to forward Council's decision to the Regional District of Nanaimo's Board.
 - Advantages: The proposed RGS amendment supports the expansion of an existing industrial business in an area that is suitable for this use and supports identified demand for more industrial lands in the region.
 - Disadvantages: Supporting expansion of industrial uses on these lands would reduce the supply of rural residential-designated lands identified in the RGS. Increases the amount of industrial land outside of the Growth Containment Boundary.
 - Financial Implications: There would be no direct financial implication to supporting the proposed RGS amendment application for the subject properties.

2. That Council:

1. deny the proposed Regional Growth Strategy amendment and provide comment to the Regional District of Nanaimo's Board on the proposed RGS amendment; and
2. direct Staff to forward Council's decision to the Regional District of Nanaimo's Board.
 - Advantages: None identified.
 - Disadvantages: Denying the application may limit the expansion of an existing and long-standing industrial business operating in the region.
 - The denial (or adoption) of the proposed RGS amendment would be made by a majority of RDN Board as per the procedure for 'minor' amendments to the RGS.
 - Financial Implications: There would be no direct financial implication to denying the proposed RGS amendment application for the subject properties.

SUMMARY POINTS

- The Regional Growth Strategy is an agreement that commits member municipalities to foster sustainable social, economic, and environment communities by coordinating land use actions.
- In response to an application, the RDN is proposing to amend to the Regional Growth Strategy to align the RGS with the existing industrial business at 1329 and 1333 Kipp Road, and to facilitate the expansion of business onto adjacent lands at 1340 Kipp Road.
- The proposed RGS land use amendments would facilitate the operations and expansion of an existing industrial business that is compatible with nearby industrial uses along the Trans-Canada Highway near Duke Point.
- This proposed amendment to the RGS to increase industrial land is consistent with meeting the demand for more industrial land in an area connected to transportation networks and other nearby compatible industrial land uses.

ATTACHMENTS:

ATTACHMENT A: RDN Referral Request Letter of 2021-NOV-24

ATTACHMENT B: RDN Bylaw No. 1615.06, 2022

ATTACHMENT C: Context Map

ATTACHMENT D: Existing RGS Land Use Designations

ATTACHMENT E: Proposed RGS Land Use Designations

ATTACHMENT F: Link to “City of Nanaimo Land Inventory and Capacity Analysis” |

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