

DATE OF MEETING April 25, 2022

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**SUBJECT OFFICAL COMMUNITY PLAN AMENDMENT APPLICATION  
NO. OCP97 – 1300, 1320, 1336, 1340, 1344, and 1348 ISLAND  
HIGHWAY SOUTH**

## **OVERVIEW**

### **Purpose of Report**

To seek Council's direction on an application to amend the City of Nanaimo "Official Community Plan Bylaw 2008 No. 6500" by re-designating the future land use designation of the properties at 1300, 1320, 1336, 1340, 1344, and 1348 Island Highway South to allow for commercial retail and light industrial uses.

### **Recommendation**

That Council deny Official Community Plan amendment application No. OCP97 for 1300, 1320, 1336, 1340, 1344, and 1348 Island Highway South.

## **BACKGROUND**

An Official Community Plan amendment application, OCP97, was received from Joshua Development Corporation to amend the City of Nanaimo "Official Community Plan Bylaw 2008 No. 6500" (OCP) by re-designating the future land use designation of the properties at 1300, 1320, 1336, 1340, 1344, and 1348 Island Highway South to allow for commercial retail and light industrial uses.

Discussions between City Staff and the applicant began in 2017 and were ongoing through to 2020 when application OCP97 was submitted. Throughout the pre-application stage, Staff noted that standalone auto-oriented commercial land use was not supported. Staff also advised that further technical review of the proposed road network was required and that the concept of a frontage access road with full movement onto Maki Road was not supported.

A comprehensive application review was completed in consultation with external agencies including the Ministry of Transportation and Infrastructure, and the applicant was advised in 2021 that Staff do not support the proposed OCP amendment. The applicant was given the option to withdraw the application or proceed to Council without Staff support, and the applicant has since requested to bring this application forward to Council.

## **Subject Properties and Site Context**

<i>Location</i>	The subject properties are located to the southeast of the intersection of the Island Highway South and Maki Road / Tenth Avenue, abutting a highway frontage road on the east side of the Island Highway.
<i>Total Lot Area</i>	7,293m <sup>2</sup>

<i>Current OCP – Future Land Use Designation</i>	Corridor
<i>Proposed Future Land Use Designation</i>	City Commercial Centre (1300/1320 Island Highway S); and Light Industrial (1336/1340/1344/1348 Island Highway S)
<i>Draft City Plan – Future Land Use Designation</i>	Secondary Urban Centre
<i>Chase River Neighbourhood Plan – Future Land Use Designation</i>	Commercial; and Suburban Neighbourhood (eastern portion of 1320 Island Highway S)
<i>Existing Zoning</i>	COR2 – Mixed-Use Corridor (1300/1320 Island Highway S); R1 – Single Dwelling Residential (1336/1340/1348 Island Highway S); and R4 – Duplex Residential (1344 Island Highway S)

The subject site is located in the Chase River Neighbourhood at the eastern edge of the Southgate commercial centre. The subject properties are currently vacant and contain a mix of previously disturbed sites and naturalized areas. The lots are generally flat with a slight slope downhill from west to east. Single residential dwellings were previously present on most of the properties and have been demolished over the last several years, most recently at 1344 Island Highway South in 2020.

Wexford Creek crosses the site through 1320 Island Highway South and possesses a 15m setback on either side as measured from the top-of-bank. A large protected wetland is present in the rear of the properties, covering the eastern portions of 1320, 1336, and 1340 Island Highway South. In addition to the environmental constraints of the watercourse and wetland, the site is also constrained by the limited access frontage road and established adjacent uses, including a cardlock fuel station at 39 Maki Road.

Surrounding land uses include low density residential and commercial uses across the Island Highway to the southwest, commercial shopping plazas across the Island Highway to the west (Chase River Market Place, South Parkway Plaza, and Southgate Shopping Centre), the Rona hardware store across Maki Road to the north, industrial uses including cardlock fuel stations to the northeast, and the Sea Breeze Mobile Home Park across the wetland to the east. There are some existing institutional and residential developments to the west on Lawlor Road, and a 213-unit residential project was recently approved at 1300 Junction Avenue, approximately 250m west of the subject properties.

## **DISCUSSION**

### **Proposed Development**

The applicant is proposing to amend the OCP future land use designation from 'Corridor' to 'City Commercial Centre' and 'Light Industrial' (as shown on Attachment D), and to amend the Chase River Neighbourhood Plan's future land use designations from 'Suburban Neighbourhood' and 'Commercial' to 'Commercial' and 'Service Industrial Enterprise Area'. A subsequent rezoning application would be required to amend the City of Nanaimo "Zoning Bylaw 2011 No. 4500" and allow the proposed uses which are not currently permitted in the COR2 Zone. The OCP 'Corridor'-designated properties at 1314 and 1324 Island Highway South are completely surrounded by the subject properties and do not form part of the OCP amendment application.

The conceptual site plan envisions standalone one-storey commercial retail buildings, a gas station, and a two-storey office building in the north portion of the site (1300 and 1320 Island Highway South), and one-storey multi-tenant light industrial buildings in the south portion of the site (1336, 1340, 1344, and 1348 Island Highway South). The commercial retail buildings are proposed to be fast food businesses and would include drive-throughs. No encroachment into the existing watercourse or wetland setbacks is anticipated, and confirmation of the setbacks would be required through subsequent stages of development should it proceed.

As part of the proposed development concept, the applicant is proposing to realign the highway frontage road so that its intersection with Maki Road would be further away from the Island Highway, and would align with Rona's access road on the north side of Maki Road.

## **Policy Context**

### *Official Community Plan*

The City's existing OCP (2008) identifies the subject properties within the Corridor future land use designation, which is characterized by a mix of residential, commercial, professional, and service uses. Residential densities from 50 to 150 units per hectare in two- to six-storey building forms are generally supported by the OCP. Standalone commercial services are not supported in the Corridor designation, but commercial services within mixed-use developments are supported. Light industrial is not supported within the Corridor designation, but light industrial uses are supported further away from the Island Highway on Maki Road and Tenth Street, and in the recently approved Sandstone Master Plan further south.

### *Draft City Plan*

The City's draft City Plan (2022) through REIMAGINE Nanaimo identifies the subject properties within the (South Gate) Secondary Urban Centre future land use designation. Draft policies for Secondary Urban Centres support a mix of building forms with a minimum height of two storeys, typically in mixed-use or in residential forms. Specifically, policy for the South Gate Urban Centre envisions development forms that contribute to the function of the Urban Centre with an integrated mix of commercial, service, community, and residential components. Drive-throughs in all Urban Centres are discouraged. Light industrial uses are not envisioned adjacent to the Island Highway in the South Gate area.

In addition to specific land use policies, the draft City Plan is informed by the 'Nanaimo Doughnut' framework which aims to centre all decisions between the social foundations where all community members can thrive and the ecological ceiling limit of what can be realized without irreparable harm to the environment. Decisions on land use can be factored into the 'Nanaimo Doughnut' framework.

### *Chase River Neighbourhood Plan*

The Chase River Neighbourhood Plan (CRNP, 1999), 'Schedule C' to the existing OCP, identifies the subject properties within the Commercial future land use designation. The Commercial designation supports commercial uses including service stations, retail, restaurants, and similar uses. The CRNP designations pre-date the current OCP designations, and the adoption of the OCP in 2008 provided new direction to inform land use decisions in this location. Historic highway commercial uses have continued to evolve along the Island Highway corridor to achieve a broader

mix of commercial and residential uses that can support walkable centres and neighbourhoods, with less automobile-dominated environments.

### *Transportation Master Plan*

The Nanaimo Transportation Master Plan (NTMP, 2014) includes strategic policy to focus residents, jobs, and services in Mobility Hubs, and to support a balanced mix of land uses that prioritize sustainable growth and a range of transportation options. The NTMP identifies the Sandstone lands further south as a Mobility Hub; however, the draft City Plan would reclassify Mobility Hubs as 'Urban Centres' and move the focus from Sandstone to South Gate to include the subject properties. Hence, the lands in question need to be considered holistically with the future land uses in the urban centre and not as an isolated development.

Both the NTMP and the draft City Plan envision the South Gate Urban Centre as being at the intersection of primary active mobility routes and as the southernmost terminus of the future rapid transit route with a transit exchange in the vicinity of the Island Highway and Maki Road / Tenth Street intersection. Mobility policies support the clustering of residences and services in close proximity to transit exchanges in order to reduce automobile dependency. The proposed development would not be reinforced by policy in the NTMP.

### **Stakeholder Consultation**

#### *Ministry of Transportation and Infrastructure*

The proposed OCP amendment application was referred to the Provincial Ministry of Transportation and Infrastructure (MoTI) for comment as both the Island Highway South and the frontage road fall under the jurisdiction of MoTI. The applicant provided a Traffic Impact Assessment (TIA) that was reviewed by the City and MoTI and it was concluded that the TIA is not acceptable. Additional requirements for the TIA have been provided to the applicant but no revised TIA has been submitted to date. More information is required to demonstrate an acceptable road network that can support the proposed land uses.

In the absence of a supportable road network, MoTI has provided a letter outlining that it does not support the proposed OCP amendment (see Attachment F). Furthermore, the proposed frontage road realignment would require a road closure, and MoTI has indicated that they will not support a road closure at this time. Without a functional road network, Staff have concluded that the land use concept as proposed is not feasible nor supportable.

#### *Additional Stakeholders*

Additional referrals were sent to external agencies and the community association, as summarized below.

<b>Stakeholder</b>	<b>Referral Response</b>
<i>Chase River Community Association (CRCA)</i>	The applicant met with members of the CRCA and interested residents on 2022-APR-13. No response from the CRCA has been received at the time of writing.
<i>Snuneymuxw First Nation</i>	No comment.

<i>Regional District of Nanaimo</i>	No concerns identified.
<i>Island Health</i>	Minor concerns with extensive surface parking lot and drive-through food services, with a comment that drive-throughs promote sedentary behaviour and increases automobile reliance, leading to increase in emissions
<i>Nanaimo-Ladysmith School District (SD68)</i>	No response.

## Staff Analysis

In order to accommodate the proposed development, the applicant is proposing to amend the existing 2008 OCP and CRNP. Given the anticipated timeline for adoption of the new City Plan to replace the OCP later this year, it would not be practical to introduce and consider adoption of a bylaw to amend the current OCP prior to consideration of repeal and replacement of the current OCP with the new City Plan. Instead, Staff have identified two options as described in the next section: 1) to deny the OCP amendment application; or 2) to provide alternate direction.

Staff recommend that Council deny Official Community Plan Amendment Application No. OCP97 based on the following considerations.

### *Policy Direction*

- The proposed development, including one-storey standalone commercial buildings and auto-oriented drive-throughs, is inconsistent with policy direction as described in the Policy Context section above.
- The City's future vision for the South Gate Urban Centre is for a compact urban form with a balanced mix of residential and commercial uses in close proximity to the transit exchange, and the proposed OCP amendment would preclude residential development or a mix of uses for a significant portion of the Urban Centre.
- Through its declaration of a climate emergency, Nanaimo City Council has committed to reducing greenhouse gas emissions by 50%-58% by 2030, and the proposed auto-oriented development would promote private vehicle use – the primary contributor to greenhouse gas emissions in Nanaimo.
- The current OCP and new City Plan policy direction encourage human scale development forms that prioritize the pedestrian and promote walking, cycling and public transit while reducing automobile dependency.
- The proposed light industrial lands are not supported in close proximity to the Island Highway at a visible gateway site to the city.
- Amending the land use designations for the subject properties could potentially orphan the existing 'Corridor'-designated lands at 1314 and 1324 Island Highway South.

### *Road Network and Access*

- The proposed road network is not supported by City and MoTI staff and the frontage road realignment has not been shown to be a viable functional access to the subject properties.

- The conceptual plan would require road closure for a portion of the frontage road under provincial jurisdiction, and MoTI has indicated that they will not consider road closure at this time.
- The Traffic Impact Assessment (TIA) submitted in support of the proposed OCP amendment application has not been accepted by Staff and will need to be revised.

The applicant was advised by Staff prior to acquisition of the subject properties that the standalone auto-oriented commercial use was not supported and that there were concerns regarding the feasibility of the road network.

## **OPTIONS**

1. That Council deny Official Community Plan amendment application No. OCP97 at 1300, 1320, 1336, 1340, 1344, and 1348 Island Highway South.
  - **Process:** In this scenario, application OCP97 would be closed. Should the applicant wish to proceed with the development in the future, they would be required to submit a rezoning and/or OCP amendment application in the future in the context of the new City Plan. While the commercial use may be supportable under the draft City Plan, the one-storey building form with drive-throughs would be discouraged. Further information would be required to determine whether the proposed industrial uses could be considered without a future OCP amendment in the Secondary Urban Centre. Road network and access issues would have to be reviewed further and resolved through a subsequent rezoning application, and there is no certainty that a resolution with MoTI can be reached
  - **Advantages:** Proposed land uses inconsistent with City policies would not be supported.
  - **Disadvantages:** Should the applicant wish to proceed in the future, they would be required to submit an additional application following adoption of the City Plan.
  - **Financial Implications:** None identified.
2. That Council provide alternate direction to Staff.

## **SUMMARY POINTS**

- The application is to amend the City of Nanaimo “Official Community Plan Bylaw 2008 No. 6500” by re-designating the future land use designation of the properties at 1300, 1320, 1336, 1340, 1344, and 1348 Island Highway South to allow for commercial retail and light industrial uses.
- The conceptual site plan envisions standalone one-storey commercial retail buildings with drive-throughs, a gas station, a two-storey office building, and one-storey multi-tenant light industrial buildings.
- Given the anticipated timeline for adoption of the new City Plan to replace the OCP later this year, it would not be practical to introduce and consider adoption of a bylaw to amend the current OCP prior to consideration of repeal and replacement of the current OCP with the new City Plan.
- Staff recommend that Council deny Official Community Plan Amendment Application No. OCP97 as the proposed uses and development concept are inconsistent with City policies and the proposed road network has not been accepted as functional.



## **ATTACHMENTS**

ATTACHMENT A: Context Map  
ATTACHMENT B: Location Plan  
ATTACHMENT C: Existing OCP Land Use Designations  
ATTACHMENT D: Proposed Site Plan and Land Use Designations  
ATTACHMENT E: Conceptual Building Renderings (Retail Buildings)  
ATTACHMENT F: Letter from the Ministry of Transportation and Infrastructure  
ATTACHMENT G: Aerial Photo

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