

DATE OF MEETING | August 29, 2022

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SUBJECT | REZONING APPLICATION NO. RA479 – 2086 and 2090 EAST WELLINGTON ROAD

OVERVIEW

Purpose of Report

To present Council with an application to rezone 2086 and 2090 East Wellington Road from Rural Resource (AR1) to High Tech Industrial (I3) with an additional site-specific use to allow a proposed data centre.

Recommendation

That:

1. “Zoning Amendment Bylaw 2022 No. 4500.200” (to rezone 2086 and 2090 East Wellington Road from Rural Resource [AR1] to High Tech Industrial [I3] with an additional site-specific use to allow a proposed data centre) pass first reading;
2. “Zoning Amendment Bylaw 2022 No. 4500.200” pass second reading; and,
3. Council direct Staff to secure the conditions related to “Zoning Amendment Bylaw 2022 No. 4500.200” as outlined in the “Conditions of Rezoning” section of the Staff report dated 2022-AUG-29, should Council support the bylaws at third reading.

BACKGROUND

A rezoning application, RA479, was received from Townsite Planning Inc. on behalf of 2779022 Ontario Inc. The applicant proposes to amend the “City of Nanaimo Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) and rezone the subject properties from Rural Resource (AR1) to the High Tech Industrial (I3) zone with ‘data centre’ permitted as an additional site-specific use.

Subject Properties and Site Context

<i>Location</i>	The subject properties are located on the north side of East Wellington Road, between Maxey Road and Westwood Road.
<i>Total Lot Area</i>	2.32ha
<i>Current Zoning</i>	Rural Resource (AR1)
<i>Proposed Zoning</i>	High Tech Industrial (I3)
<i>City Plan – Future Land Use Designation</i>	Light Industrial
<i>Neighbourhood Plan – Land Use Designation</i>	n/a

The two subject properties are located on the west side of the Nanaimo Parkway in an area designated for future light industrial use in the City Plan. Both properties currently contain single

residential dwellings, and the properties will be consolidated as a condition of rezoning. The site consists of rolling topography, sloping generally downhill towards East Wellington Road to the south. A small wetland has been identified on the eastern portion of the lot, and another larger wetland is located approximately 25m north of the site.

The surrounding neighbourhood generally consists of larger rural residential lots. Adjacent properties include a large undeveloped lot to the west, a panhandle lot with a wetland to the north, the Cavallotti Lodge to the east, and single residential dwellings across East Wellington Road to the south. An existing industrial use (metal wholesale business) is located approximately 90m east of the site. The recently developed Green Rock Industrial Business Park along Boxwood Road is on the opposite side of the Nanaimo Parkway from the site.

DISCUSSION

Proposed Development

The applicant proposes to rezone the subject properties from Rural Resource (AR1) to the High Tech Industrial (I3) zone with an additional site-specific use permitted to facilitate a proposed data centre development. The existing AR1 zone allows low-density rural residential and agricultural uses, and does not permit commercial or industrial uses. The existing zoning is based on the historic use of the lands in this neighbourhood.

The I3 zone allows a variety of clean, high-tech, and complementary light industrial uses such as: laboratory, mini-storage, printing and publishing facility, production studio, research facility, and warehouse use. While the applicant intends to develop a data centre, the proposed zoning could permit any light industrial use under the I3 zone. The zone also allows a maximum building height of 14m and a maximum lot coverage of 50%, with the opportunity to increase the lot coverage to 65% with the provision of amenities as outlined in Schedule D of the Zoning Bylaw.

In support of the rezoning application, the applicant has provided a conceptual site plan to demonstrate how a data centre could be developed on the site (see Attachment C). The conceptual plan shows a potential build-out, although the applicant anticipates that the data centre would be constructed in phases as demand grows.

A comprehensive design review would occur through a separate development permit application if the rezoning is supported, but the conceptual plan illustrates that the site can be used while respecting environmental constraints, including avoidance of the required aquatic setbacks from both wetlands impacting the site. The applicant has also proposed to secure retention of a minimum of 20% of the existing tree cover as a condition of the rezoning.

Site-Specific Use

Data centre use is not currently contemplated by the Zoning Bylaw and a new use is proposed as part of “Zoning Amendment Bylaw 2022 No. 4500.200”. Standalone data centres often serve businesses and organizations that opt to store computer servers and associated components in off-site facilities. The proposed data centre use is as follows:

DATA CENTRE – means a building or buildings used for the storage and operation of networked computers or telecommunications systems and associated components, and may or may not include employees onsite.

From a land use and parking demand perspective, the data centre would be treated similar to a warehouse with a parking requirement of one space per 200m² of gross floor area. A data centre would be restricted to the same building height, setbacks, and lot coverage provisions in the I3 zone as other light industrial uses. As a condition of use for a data centre, a noise abatement plan will be required to address any potential off-site noise impacts. The applicant has demonstrated that zoning and parking provisions can be met at full build-out.

In addition to demonstrating site feasibility to support the proposed use, the applicant will be required to comply with any BC Hydro standards to ensure that the data centre is appropriately sized to the electrical supply for the use.

Policy Context

City Plan – Future Land Use

The City Plan identifies the property within the Light Industrial future land use designation which supports a variety of industrial uses that are considered suitable adjacent to Neighbourhoods. Light industrial uses are expected to occur within a building with limited customer trips and minimal noise or visual impacts on neighbours. The proposed rezoning meets the intent of the City Plan's Light Industrial land use designation, and the data centre use would be similar to other warehousing industrial uses but with less impact on neighbours given fewer anticipated vehicle trips.

The City Plan emphasizes a need for new industrial lands recognizing the 2020 *Land Use Inventory and Capacity Analysis Report* that identified a shortfall of viable industrial lands within city limits. Lands designated for future industrial use in City Plan are intended to meet the projected demand for industrial land and address the known shortfall. The lands on the west side of the Nanaimo Parkway have long been designated for future light industrial use and the surrounding area is expected to develop in the future in a similar fashion to Green Rock Industrial Business Park. The subject site on East Wellington Road is well suited for future light industrial uses with its proximity to existing services and truck routes.

City Plan – Mobility Network

The subject properties are located outside of an urban centre as identified in Figure 36 of the City Plan, with the nearest centre being the Hospital Urban Centre approximately 1km to the east. East Wellington Road is designated an Industrial Collector in Schedule 4 ("Road Network") of the City Plan, and a future Industrial Collector is expected to connect East Wellington Road with the Nanaimo Parkway / Northfield Road intersection through the development of adjacent lands. In order to accommodate the Industrial Collector standard, road dedication with a width of approximately 2.5m from East Wellington Road will be secured as a condition of rezoning.

The alignment of the future connector has not yet been determined; however, the applicant has demonstrated that a road could be accommodated on either side of the subject site (as shown on Attachment C), with "Option A" to the west and "Option B" to the east. Either option would require a roundabout at the intersection with East Wellington Road, and only one of the two roundabouts

shown on the conceptual site plan would be anticipated when the connector is constructed. A future road reserve covenant will be secured as a condition of rezoning for both connector road with roundabout options, and the exact location will be determined at the detailed design stage when adjacent lands develop. An access restriction covenant will also be secured through rezoning to ensure that any vehicle access to East Wellington Road will be removed at such a time when access from a public street to the east or west becomes available.

Community Consultation

The subject properties are not located within the area of an active community association. The applicant hosted a public information meeting on 2022-MAY-04 at the Cavallotti Lodge and approximately 12 neighbours attended the meeting. Comments from attendees generally related to the proposed building height, the nature of the proposed use, potential off-site impacts, and opportunities for onsite environmental protection. In response to these comments, the applicant has confirmed the following for the proposed rezoning:

1. *Building Height.* The maximum permitted building height in the I3 zone is 14m and the applicant anticipates the proposed building height will be within this allowance. Additional rooftop mechanical equipment would be exempt from maximum building height regulations, and any proposed rooftop equipment will be expected to be screened from public view as determined through design review at the Development Permit stage.
2. *Proposed Use.* Some residents were unclear as to the purpose of the proposed data centre use. The applicant has clarified the proposed use to neighbours and a definition for 'Data Centre' will be added to the Zoning Bylaw as part of this rezoning application.
3. *Off-Site Impacts.* Through design review at the Development Permit stage, the applicant will be required to address relevant design guidelines and landscaping requirements. No significant off-site noise or lighting impacts are anticipated with the indoor data centre use, and on-site lighting plans will be reviewed at the Development Permit stage to ensure off-site impacts are mitigated. As a condition off rezoning, an acoustic study will be required prior to Development Permit issuance to address any potential off-site noise impacts.
4. *Environmental Protection.* The applicant has taken care to develop a conceptual site plan that avoids encroachment into the aquatic setbacks from wetlands. In support of the rezoning application, an ecological assessment was completed that identified the wetland on the eastern portion of the site, which had not been previously identified on the City's mapping system (see Attachment D). In addition to respecting the aquatic setbacks, the site design includes retention of a minimum of 20% of the existing tree cover on the subject properties, as a condition of rezoning.

Community Amenity Contribution Policy

In exchange for the value conferred on the lands through rezoning, the applicant is encouraged to provide a Community Amenity Contribution (CAC) as per Council's *Community Amenity Contribution Policy*. The applicable rate for commercial and industrial development is \$34 per m² of industrial gross floor area. The applicant has proposed to secure a monetary CAC at this rate, with 50% to be used towards the City's Housing Legacy Fund and 50% to be used towards parks

improvements in the City. Based on the proposed concept, at full build-out the CAC would have a value of approximately \$629,000. Staff support the proposed CAC.

BC Energy Step Code Rezoning Policy

As per Council's BC Energy Step Code Rezoning Policy, a Section 219 Covenant will be registered on the subject properties as a condition of rezoning to secure a commitment to either: a) exceed the required BC Energy Step Code by one step; or b) provide a low-carbon energy system, to be determined at Building Permit issuance.

Conditions of Rezoning

Should Council support this application and pass third reading of "Zoning Amendment Bylaw 2022 No. 4500.200", Staff recommend the following items be secured prior to final adoption of the bylaw:

1. *Community Amenity Contribution* – A monetary contribution equal to \$34 per m² of industrial gross floor area, payable at the time of Building Permit issuance, with 50% to be used towards the Housing Legacy Fund and 50% to be used towards parks improvements in the City.
2. *BC Energy Step Code Commitment* – A Section 219 covenant to secure a commitment in accordance with the City's *BC Energy Step Code Rezoning Policy*.
3. *Road Dedication* – Road dedication with a width of approximately 2.5m from the East Wellington Road frontage to allow for a future 'Industrial Collector' cross-section width of 25m.
4. *Road Reserve Covenant* – A road reserve Section 219 covenant with a combined area of approximately 900m² for future road dedication to accommodate either connector road and roundabout option (as shown in Attachment C), with exact alignment to be determined at the detailed civil design stage for the development of adjacent lands.
5. *Access Restriction Covenant* – An access restriction Section 219 covenant to require removal of any vehicle access from East Wellington Road at such a time when access from a public street to the east or west becomes available.
6. *Tree Protection Covenant* – A tree protection Section 219 covenant, to be reduced to a specific area prior to Building Permit issuance, to secure retention of a minimum of 20% of tree cover.
7. *Noise Abatement Covenant* – A Section 219 covenant to require an noise abatement plan at the time of development permit application for a data centre, to address potential off-site noise impacts through building design.
8. *Lot Consolidation* – Consolidation of the subject properties.

SUMMARY POINTS

- The application is to rezone the subject properties from Rural Resource (AR1) to High Tech Industrial (I3) with an additional site-specific use to allow a proposed data centre; and to add a definition of data centre to the Zoning Bylaw.
- The conceptual plan shows a potential build-out, although the applicant anticipates that the data centre would be constructed in phases as demand grows.
- The proposed data centre meets the intent of the City Plan's Light Industrial land use designation as the use aligns with similar warehousing industrial uses but with less impact on neighbours and fewer anticipated vehicle trips.
- The applicant has proposed to secure a Community Amenity Contribution at a rate of \$34 per m² of industrial gross floor area, with 50% to be used towards the City's Housing Legacy Fund and 50% to be used towards parks improvements in the City.

ATTACHMENTS

ATTACHMENT A: Context Map
ATTACHMENT B: Location Plan
ATTACHMENT C: Conceptual Site Plan
ATTACHMENT D: Aerial Photo
"Zoning Amendment Bylaw 2022 No. 4500.200"

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