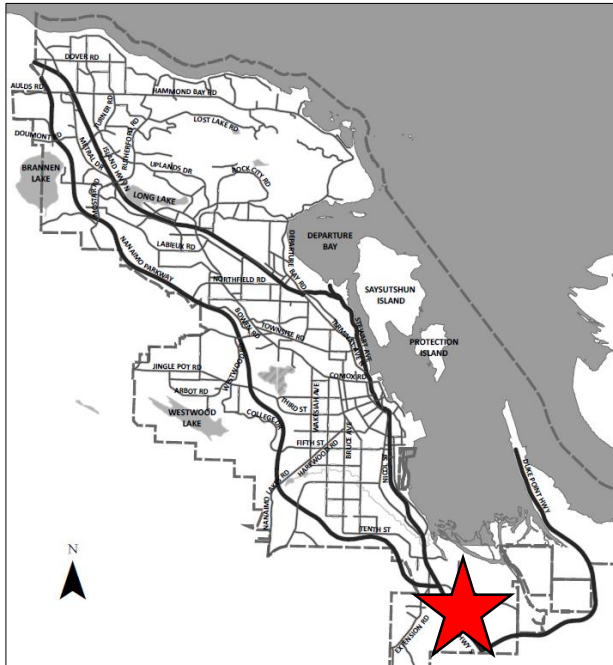


DATE OF MEETING | October 16, 2023

AUTHORED BY | CALEB HORN, PLANNER, CURRENT PLANNING

SUBJECT REZONING APPLICATION NO. RA461 – 1100 CEDAR ROAD, 1505 & 1605 FIELDING ROAD, and 1750 RAJEENA WAY (SANDSTONE)



Proposal:

To facilitate a residential, industrial, and mixed-use development aligned with the Sandstone Master Plan

RA

Current Zoning:

AR1 – Rural Resource

PRC1 – Parks, Recreation & Culture One

Proposed Zoning:

R10 – Steep Slope Residential

I1 – Highway Industrial

I2 – Light Industrial

CD13 – Comprehensive Development

District Zone Thirteen

City Plan Land Use Designation:

Suburban Neighbourhood

Light Industrial

Neighbourhood Centre

Lot Area:

60.8ha – 1100 Cedar Road

21.3ha – 1505 Fielding Road

36.3ha – 1605 Fielding Road

73.6ha – 1750 Rajeena Way

192ha – Total

EXECUTIVE SUMMARY

The City has received a comprehensive rezoning application to facilitate the long-term build-out of a residential, industrial, and mixed-use development as envisioned in the Sandstone Master Plan (SMP) in South Nanaimo.

- A significant level of technical analysis has been completed to understand the impacts of the development on existing servicing (utilities), public parks and amenities, transportation network, and adjacent land uses.
- Where technical studies have identified development constraints and impacts, a Master Development Agreement will be secured as a condition of rezoning approval to ensure that the necessary improvements and amenities are provided at the appropriate stage of development.
- Staff are supportive of the rezoning application and the mitigation measures will reinforce City and regional land use objectives (SMP, City Plan, and Regional Growth Strategy), but acknowledge the risk and impact to the level of transportation service.

OVERVIEW

Purpose of Report

To present for Council's consideration an application to rezone 1100 Cedar Road, 1505 & 1605 Fielding Road, and 1750 Rajeena Way from Rural Resource (AR1) and Parks, Recreation, and Culture One (PRC1) to Steep Slope Residential (R10), Highway Industrial (I1), Light Industrial (I2), and Comprehensive Development District Zone Thirteen (CD13), in order to facilitate a residential, industrial, and mixed-use development aligned with the Sandstone Master Plan.

Recommendation

That:

1. "Zoning Amendment Bylaw 2023 No. 4500.215" (to rezone 1100 Cedar Road, 1505 & 1605 Fielding Road, and 1750 Rajeena Way from Rural Resource [AR1] and Parks, Recreation, and Culture One [PRC1] to Steep Slope Residential [R10], Highway Industrial [I1], Light Industrial [I2], and Comprehensive Development District Zone Thirteen [CD13]) pass first reading;
2. "Zoning Amendment Bylaw 2023 No. 4500.215" pass second reading;
3. Council direct Staff to secure the conditions related to "Zoning Amendment Bylaw 2023 No. 4500.215" as outlined in the "Conditions of Rezoning" section of the Staff Report dated 2023-SEP-25 should Council support the bylaw at third reading.

BACKGROUND

A rezoning application, RA461, was received from Keycorp Consulting Ltd., on behalf of Seacliff Properties Ltd., following the adoption in 2022 of the Sandstone Master Plan, to amend the City of Nanaimo "Zoning Bylaw 2011 No. 4500" (the "Zoning Bylaw") and rezone the lands known as "Sandstone" to facilitate a residential, industrial, and mixed-use development.

Subject Properties and Site Context

The subject properties cover a large area in south Nanaimo, adjacent to the Regional District of Nanaimo (RDN). The lands are intersected by the Island Highway and the Duke Point Highway. On the east side of the Island Highway, the properties are adjacent to the Nanaimo Regional Landfill and the Snuneymuxw First Nation No. 2 Reserve. West of the Island Highway, a portion of the site is located at the edge of the established Chase River and Cinnabar Valley neighbourhoods. All of the subject properties are currently undeveloped and there are significant natural features across the site including varied terrain, steep slopes, wetlands, and watercourses.

In addition to the properties subject to the rezoning application, the Sandstone Master Plan includes properties at 1305 Cedar Road and 1750 Fielding Road that are already zoned Industrial (I4). While these properties are not included as part of the rezoning they have been considered as part of the application review in the context of the SMP, and some of the recommended conditions of rezoning pertain to these properties. The total site area including these properties is approximately 245.1ha.

Throughout this report, individual parcels are referred to as “Development Areas” (DA) as described in the table below and shown in Attachment C.

Development Area	Civic Address	City Plan Land Use Designation	Sandstone Master Plan Precinct
DA1	1100 Cedar Road	Suburban Neighbourhood	Cedar Road Neighbourhood Precinct
DA2*	1305 Cedar Road	Industrial	Employment + Business Precinct
DA3*	1750 Fielding Road	Industrial	Employment + Business Precinct
DA4	1605 Fielding Road	Light Industrial	Employment + Business Precinct
DA5	1505 Fielding Road	Neighbourhood Centre	Fielding Precinct
DA6	1750 Rajeena Way	Suburban Neighbourhood	Cinnabar Valley Neighbourhood Precinct

* Not subject to this rezoning application

Previously, the properties at 1200 Frew Road and 1601 Frew Road were part of the Sandstone lands but these were transferred to the Snuneymuxw First Nation earlier in 2023. The property at 1300 Cedar Road is also in the process of being transferred to Snuneymuxw, and no change in zoning is proposed from the Rural Resource (AR1) zone for this property.

The surrounding neighbourhood is varied and includes single residential dwellings in the Chase River and Cinnabar Valley neighbourhoods to the west of DA6; mobile home parks to the north of DA5; large residential and agricultural lots to the west and south of DA1; Agricultural Land Reserve (ALR) lands adjacent to the Nanaimo River to the north of DA1; industrial uses adjacent to the Nanaimo Regional Landfill and to the south in the RDN; and, an undeveloped tract of land in the RDN to the south of DA6.

A number of services and amenities are near to the subject properties, with approximate distances from Sandstone as highlighted below:

- **Schools.** Cedar Community School (in RDN 2km southeast of DA1), Cinnabar Valley Elementary School (500m west of DA6), and Chase River Elementary School (500m north of DA6).
- **Parks.** Trumpeter Park (100m northwest of DA1), Kipp Road Community Park (in RDN immediately south of DA6), Richards Marsh Park (immediately west of DA6), Elaine Hamilton Park (immediately west of DA6), and Roberta Road Park (immediately north of DA6).
- **Commercial Services.** South Gate Urban Centre including the South Parkway Plaza and Southgate Plaza (1km northwest of DA5), and Cedar Main Street Village (in RDN 2km southeast of DA1).
- **Industrial Areas.** Duke Point Industrial Park (3km northeast of DA3), and South Wellington Light Industrial & Commercial Area (in RDN 500m south of DA3).

DISCUSSION

Sandstone Master Plan and Proposed Zoning

The applicant is proposing to rezone DA1, DA4, DA5, and DA6 to align with the Sandstone Master Plan. “Zoning Amendment Bylaw 2023 No. 4500.215” (the “Zoning Amendment Bylaw”) contains the Zoning Bylaw amendments and the proposed zoning is summarized in the below table:

Development Area	SMP Precinct	Existing Zoning	Proposed Zoning
DA1	Cedar Road Neighbourhood Precinct	Rural Resource (AR1)	Steep Slope Residential (R10)
DA2	Employment & Business Precinct	Industrial (I4)*	
DA3	Employment & Business Precinct	Industrial (I4)*	
DA4	Employment & Business Precinct	Rural Resource (AR1)	Highway Industrial (I1) and Light Industrial (I2)
DA5	Fielding Precinct	Rural Resource (AR1) and Parks, Recreation, and Culture One (PRC1)	Comprehensive Development District Zone Thirteen (CD13)
DA6	Cinnabar Valley Neighbourhood Precinct	Rural Resource (AR1)	Steep Slope Residential (R10)

** Not subject to this rezoning application*

The Sandstone lands have been subject to comprehensive planning through the SMP and the master plan’s vision is intended to be realized through the proposed zoning. The SMP describes Sandstone as “a gateway for the south side of Nanaimo in which there are significant opportunities for new economic and business growth through the creation of a substantial new industrial and employment node, while also offering additional commercial/retail and residential opportunities”. As part of this vision, the ultimate build-out of Sandstone is anticipated to include the following, subject to subsequent development approvals (e.g. subdivision, development permit):

- 800 single residential dwelling units;
- 500 townhouse dwelling units;
- 900 multi-family residential dwelling units;
- 16,500m² of commercial floor area; and,
- 168,000m² of industrial floor area.

The timing of the ultimate build-out is expected to be phased and long-term (i.e. 20+ years), subject to market conditions. No details on phase ordering have been determined at this time.

The next sections describe each DA in more detail and how the proposed zoning for each DA aligns with the SMP.

Development Area 1 (Cedar Road Neighbourhood Precinct) – 1100 Cedar Road

DA1, to the north of Cedar Road, is a hilly lot within the Steep Slope Development Permit Area. The proposed Steep Slope Residential (R10) zone will allow DA1 to develop as a low density residential neighbourhood with opportunities for both single residential dwelling and ground-oriented multi-family dwellings. The R10 zone permits residential densities of up to 16 units per hectare, and building heights between 7m and 9m. The applicable Steep Slope Development Permit Area Guidelines encourage clustering of residential development in order to preserve natural features and significant ridgelines. Once park dedication has been taken into account, the proposed R10 zoning is expected to allow no more than approximately 600 residential units in DA1.

The proposed zoning aligns with the SMP which estimates up to 600 residential units in a mix of single-family and attached residential building forms in the Cedar Road Neighbourhood Precinct.

Development Areas 2 and 3 (Employment & Business Precinct) – 1305 Cedar Road and 1750 Fielding Road

Both DA2 and DA3 are currently zoned Industrial (I4) which is the same zoning as the nearby Duke Point Industrial Park. No change of zoning is proposed for these two properties. This aligns with the SMP under the Employment & Business Precinct designation.

Development Area 4 (Employment & Business Precinct) – 1605 Fielding Road

DA4 comprises the southern portion of the central Sandstone area, envisioned to be centred along a new collector road informally named the “Sandstone Spine”. Two zones are proposed within DA4, with Highway Industrial (I1) in the northwest and Light Industrial (I2) in the southeast as shown on Attachment C. The proposed zones will provide a transition between the mixed-use DA5 to the northwest and the industrial DA2 and DA3 to the southeast. Limited standalone office is proposed as a site-specific use up to a maximum floor area of 12,077m². Additionally, site-specific height is proposed to allow building heights up to 18m for industrial uses and 22m for office uses. The 18m industrial building height is consistent with the maximum height permitted in the adjacent industrial zone (I4) and the 22m office building height is proposed to account for higher ceiling heights present in typical office buildings.

Office is not permitted as a principal use in the City’s light industrial zones, hence the site-specific use with floor area and height limitations is proposed to achieve the SMP goals. The zoning site-specific office use aligns with the SMP where this part of the Employment & Business Precinct is envisioned as a mix of light industrial and compatible business park uses.

Development Area 5 (Fielding Precinct) – 1505 Fielding Road

DA5 is centrally located in the Sandstone lands, near the intersection of Cedar Road and the Sandstone Spine. The SMP envisions this area as the Fielding Precinct, providing a neighbourhood centre with a mix of commercial, residential, and recreational uses. A Comprehensive Development (CD) zone is proposed to facilitate the development of the Fielding Precinct.

The proposed CD zone is included in the attached Zoning Amendment Bylaw 4500.215 and is summarized in the table below:

Zoning Regulation	Proposed Comprehensive Development District Zone Thirteen (CD13)
<i>Maximum Floor Area Ratio (FAR)</i>	1.75 FAR; or up to 3.30 FAR with additional density bonusing provisions
<i>Maximum Building Height</i>	18m
<i>Maximum Lot Coverage</i>	75%
<i>Minimum Yard Setbacks</i>	Front – 2.0m-4.5m Side – 3.0m Flanking Side – 4.0m Rear – 4.5m

In addition to the above, density in the CD13 zone will be limited to a maximum of 1,000 dwelling units within the zone and a maximum of 16,500m² of Gross Floor Area for non-residential and non-institutional uses. On the east side of the Fielding Road right-of-way, adjacent to Cedar Road and the Nanaimo Regional Landfill, two car-centric uses (fast food restaurant and gas station) are proposed to be permitted in addition to other uses outlined in the CD13 Zone. The applicant is proposing to limit these site-specific uses to this location only and not permit these uses elsewhere within DA5, in order to achieve a more compact mixed-use development form within the remainder of the Fielding Precinct.

The proposed CD13 Zone is intended to achieve a walkable neighbourhood centre with a mix of uses, human-scaled building forms along an active transportation route (Fielding Multi-Use Trail) as per SMP policy, with flexibility to accommodate new developments as market conditions may change over time. To help visualize how development under the proposed CD13 Zone could occur, the applicant has provided conceptual plans for DA5 (see Attachment D).

The proposed CD13 zoning aligns with the SMP and has been specifically created to promote the neighbourhood centre envisioned for this precinct.

Development Area 6 (Cinnabar Valley Neighbourhood Precinct) – 1750 Rajeena Way

DA6 is located on the west side of the Island Highway and is a hilly site with a number of watercourses and wetlands present. Informal trails cross the site connecting with existing trail networks at Elaine Hamilton Park and Richards Marsh Park. Abutting public streets include Healy Road, Rajeena Way, Trofton Road, and Roberta Road South. DA6 is also flanked by the Island Corridor Foundation corridor (formerly E&N Railway) to the east.

Similar to DA1, DA6 is located within the Steep Slope Development Permit Area and the R10 zone is proposed in order to facilitate sensitive residential development. Once park dedication has been taken into account, the proposed R10 zoning is expected to allow up to 600 residential units in DA6. This aligns with the maximum build-out and ground-oriented building form contemplated in the Cinnabar Valley Neighbourhood Precinct of the SMP.

In order to connect DA6 with Extension Road, an Alternative Approval Process will be required in the future to dedicate a portion of Elaine Hamilton Park as road. The new road will connect via the property at 1618 Extension Road.

Master Development Agreement

As a condition of rezoning, a Master Development Agreement (MDA) will be secured and registered on the property titles through a Section 219 covenant. The MDA will outline the works and additional studies that are to be provided by the property owner as the Sandstone lands develop.

Policy Context

Staff are of the opinion that the proposed rezoning is consistent with City Plan, including the specific policy areas highlighted below.

City Plan – Future Land Use

City Plan identifies the subject properties within the below future land use designations:

- Neighbourhood Centre (DA5). Neighbourhood Centres are described in City Plan as local-scale neighbourhood gathering and service destinations with a range of uses including residential, commercial, office, and mixed-use. While typical heights are noted as two to four storeys, City Plan policy D4.3.67 provides for additional height in the Sandstone area. This supports the proposed the CD13 zoning in DA5 where up to six storeys are contemplated.
- Industrial (DA2 & DA3). Industrial lands are intended to accommodate industry that requires larger land areas and that are generally incompatible with an urban environment. The existing I4 zoning in DA2 and DA3 is supported by City Plan as these lands are buffered from other neighbourhoods by the Nanaimo Regional Landfill and the Duke Point Highway.
- Light Industrial (DA4). Light Industrial lands are intended to accommodate less land-intensive industries with more regular day-to-day activity. While typical building heights are up to three storeys, City Plan allows for consideration of greater building heights where appropriate. The proposed site-specific I1 and I2 zoning in DA4 (with office use and increased building heights) is supported by City Plan and provides flexibility in future industrial development planning.
- Suburban Neighbourhood (DA1 & DA6). The Suburban Neighbourhood designation primarily accommodates low-rise residential areas that are further from services and transit hubs. Single family, duplex, and ground-oriented residential uses are supported. Cluster housing is generally encouraged by City Plan (policy D4.5.9) in neighbourhoods where environmentally sensitive features are protected. The proposed R10 zone for DA1 and DA6 includes density-transfer provisions that allow for cluster housing and the protection of steep-slope lands.

City Plan – Mobility Network

The Sandstone lands are located outside of an urban centre as identified in Figure 36 of City Plan. Future secondary active mobility routes are identified along Cedar Road, the Island Corridor Foundation land, and Extension Road. A future transit exchange is identified near the Island Highway and Tenth Street, approximately 1km north of the subject site. Existing BC Transit bus

routes through the area include the #7 route in Cinnabar Valley and the #8 route along Cedar Road. The RDN, responsible for route planning, has indicated that they may review potential bus routing through the Sandstone lands as they develop in the future. Given the existing undeveloped nature of the subject properties, a number of off-site transportation impacts and mitigation measures have been proposed as discussed in the 'Technical Review' section of this report.

City Plan – Green Nanaimo

City Plan supports the development of a sustainable city that is interconnected with its natural environment, fostering resilient and regenerative ecosystems. Being a greenfield site, there is significant potential for retention and enhancement of natural habitats throughout the subject site. As a condition of rezoning, a minimum of 36% of the area of the properties is proposed to be provided as park space. Some significant elements secured through the rezoning include the Fielding Multi-Use Trail and Richards Marsh Park trail system, which align with City Plan policies around public greenways and recreation.

City Plan – Truth & Reconciliation

In addition to the lands that have already been transferred to the Snuneymuxw First Nation (1200 and 1601 Frew Road), the applicant has advised that the owner intends to transfer additional lands at 1300 Cedar Road to Snuneymuxw following rezoning of the Sandstone lands. This private land transfer is supported by the City Plan policies surrounding Truth & Reconciliation (Section C4.1).

Regional Growth Strategy

Due to the scale of the future development and the site's proximity to RDN lands outside of City limits, the rezoning application was referred to the RDN for comment. The RDN administers the Regional Growth Strategy which is a strategic plan that defines a regional vision for sustainable growth. Staff have reviewed the rezoning and confirmed that the proposing rezoning is consistent with the Regional Growth Strategy land use designations, goals, and policies. The proposed land use will support development from a regional growth perspective and address the diversity and supply of some of the region's housing and industrial land demands.

Technical Review

A number of supporting documents and technical studies prepared by qualified registered professionals have been provided by the applicant. These studies inform what is required in order to support the rezoning application as outlined in the following sections. Works or additional studies that are to be required as a condition of rezoning will generally be secured through the Master Development Agreement (MDA).

Environment

In support of the rezoning application, a preliminary Environmental Review, prepared by Environmental Dynamics Inc. and dated April 2022, has been submitted (link in Attachment I). The Environmental Review identifies a number of watercourses and wetlands that are protected under the City of Nanaimo's Development Permit Area DPA1 – Environmentally Sensitive Areas (ESAs) and standard City minimum setback of 15.0m (from top-of-bank above watercourses and

from high water level above wetlands). The exact extent of the required setbacks will be determined at the time of subdivision of each DA when a detailed assessment of each feature will be undertaken. Additional terrestrial herbaceous ESAs may be identified and mapped through subsequent approvals as noted in the Environmental Review. The Environmental Review has informed the Sandstone Parks + Open Space Strategy and general intent of future park dedication.

Utilities

Three technical servicing studies for utilities have been submitted in support of the rezoning application (link in Attachment I) as listed below:

- Sewer Collection System Hydraulic Impact Analysis prepared by GeoAdvice Engineering Inc., dated 2022-APR-22;
- Water Servicing Review prepared by Koers & Associates Engineering Ltd., dated 2022-MAY-04; and,
- Storm Water Analysis prepared by Newcastle Engineering Ltd., dated 2022-MAY-05.

More detailed servicing studies will be required prior to the development of each DA, and specific works will be secured where necessary to support the rezoning. Staff have reviewed and accepted the rezoning servicing studies and recommend securing conditions of rezoning in accordance with the recommendations in these studies. For example, both the construction of an off-site water reservoir and completion of downstream sanitary sewer upgrades are necessary and will be secured in the MDA, as outlined in Attachment E.

Transportation

A significant component of the rezoning process has been dedicated to the review and analysis of potential transportation impacts of the proposed development and recommended measures to address off-site traffic impacts. This review has involved ongoing discussions between City staff, the applicant, and the Ministry of Transportation and Infrastructure (MoTI) since the submission of the Sandstone Master Plan amendment application in 2019, and has resulted in several iterations of traffic studies and mitigation proposals. A Traffic Impact Assessment (TIA), prepared by Watt Consulting Group dated 2023-SEP-05 has been submitted in support of the rezoning application and accepted by Staff (link in Attachment I), with additional staff comments for context provided in Attachment G.

The forecasting of growth-related transportation needs is complex and there are considerable uncertainties that cannot always be accurately projected, for example related to driver behavior or modal shifts. Additionally, all projections assume a complete build-out of Sandstone within the forecasted timeframe and maximum trip generation when in reality the full build-out may take decades and land uses may generate less vehicle trips than modelled.

As Sandstone develops, it is expected to be a significant contributor to the growth in traffic in the area. It is forecast that Sandstone would comprise the majority of the increase in traffic on Extension Road, Cedar Road, and the Island Highway within the study area. In order to understand the long-term impacts on the future road network, the TIA considered both Sandstone's growth (to 2041) and existing background growth in traffic (see Attachment G for Staff analysis)

Typically with new development, transportation levels of service are expected to be maintained at a specified minimum or at least not degraded. In this area of South Nanaimo, however, the road network is significantly constrained with limited redundancy and a concentrated traffic corridor (e.g. the Island Highway). Given these challenges, requiring a typical level of service to be maintained would be extremely costly and would result in substantially more travel lanes on roads and highways. Wider, more throughput highways would negatively impact the urban environment and is not be in keeping with the community's vision for Nanaimo.

If Sandstone were to fully build out over the next 20 years with all mitigation measures in place, significant congestion during rush hour means the queues for the highway signals could extend to the next intersection and delays could be substantial. If the mitigation upgrades are not constructed, the reductions in service will be experienced sooner and will ultimately lead to lower levels of service and more delay.

The transportation network with the entire mitigation measure package (those proposed by Sandstone and additional measures identified by the TIA) is expected to support the overall growth in the area even though there will be a degradation of the level of service, in particular on the Island Highway. Staff are supportive of the rezoning application and the mitigation measures will reinforce City and regional land use objectives (SMP, City Plan, and Regional Growth Strategy), but acknowledge the risk and impact to the level of transportation service.

Ministry of Transportation & Infrastructure

MoTI indicated that they are prepared to approve the Zoning Amendment Bylaw. MoTI has advised that based on the analysis provided by the TIA, the Island Highway corridor between Cedar Road and Tenth Street / Maki Road will be over capacity and will experience significant congestion and delays with the buildout of the Sandstone development and no additional supporting road network connections (e.g. Fielding Road/Maki Road connector or highway intersection improvements). As a result, there will be similar congestion, capacity issues and delay on the surrounding municipal road network.

Community Consultation

While DA1, DA2, and DA3 are not inside the area of any recognized Community Association, DA4, DA5, and DA6 are within the area of the Chase River Community Association (CRCA). Consultation between the applicant and the wider community, including the CRCA, has been ongoing for several years throughout both the OCP amendment and rezoning processes. Engagement events have included the applicant attending CRCA meetings and hosting open houses in the Cinnabar Valley neighbourhood specifically related to DA6.

A Public Information Meeting (PIM) for the rezoning application was held at the Nanaimo Moose Hall on 2023-MAR-15. Approximately 125 residents attended in-person, as well as approximately 35 attendees virtually via Zoom. Representatives of the applicant and property owner were present, in addition to City of Nanaimo staff to answer questions from residents. A number of comments were heard from residents at the PIM with a key theme being traffic management within Cinnabar Valley. Of particular interest to residents was the number of vehicle access points to the community, currently limited to the Island Highway via Cranberry Avenue and Nanaimo Lakes Road via Extension Road. Residents expressed concerns that the development of DA6 would exacerbate already existing issues with traffic along Cranberry Avenue and Extension Road.

Comments heard during the PIM have informed discussions between staff and the applicant in finalizing the transportation mitigation package (Attachment F) as discussed in this report.

The rezoning application was also referred to CRCA for comment, and more recently staff shared the proposed transportation mitigation measures as submitted by the applicant on 2023-SEP-28. No rezoning referral response has been received from the CRCA at the time of writing this report.

Community Amenity Contribution

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*. For the purpose of calculating anticipated CAC value, the applicant has utilized the applicable 2022 rates from the time of application re-submission. Based on these rates, the anticipated CAC value for the entire build-out would be as shown in the table below:

Land Use	CAC Rate	Estimated Amount	Value
Single Residential Dwelling	\$3,000 / unit	800 units	\$2,400,000
Townhouse Residential	\$2,500 / unit	500 units	\$1,250,000
Multi-Family Residential	\$30 / m ²	100,350m ²	\$3,010,500
Commercial and Industrial	\$34 / m ²	184,500 m ²	\$6,273,000
<i>Total</i>			<i>\$12,933,500</i>

The applicant is proposing a number of contributions that together will form the CAC package including:

- Park dedication in excess of statutory (5%) park dedication that would otherwise be required through subdivision;
- Improvements within park dedication at the time of subdivision;
- Land transfer of 1.0ha to the City within DA5;
- Land transfer of 2.0ha to Nanaimo-Ladysmith Public Schools (SD68) within DA6;
- Land transfer of 51.4ha to the Snuneymuxw First Nation;
- Completion of the Fielding Multi-Use Trail;
- Regional District of Nanaimo Transit bus stop improvements at the time of frontage works; and,
- Funding towards the Cranberry Connector Alignment Study.

The proposed CACs will be secured by the Master Development Agreement to be registered on the property titles, and are described in more detail in the following sections.

Park Dedication

Through subdivision, statutory park dedication of 5% will be required with an estimated area of approximately 12.3ha. The applicant is proposing park dedication with an approximate area of 88.3ha, of which the 76.0ha in excess of statutory park can be considered as an amenity contribution. Of the total park dedication, approximately 82% will be Nature Park, 14% will be Community Park, and 4% will be City Park, as defined in the Zoning Bylaw. The approximate areas of park dedication are shown in the Sandstone Parks & Open Space Master Plan

(Attachment H). An independent appraisal provided by the applicant estimates the value of the lands (in 2023) for park dedication in excess of 5% to be approximately \$3,772,200.

Parks Improvements

In addition to the dedication of parkland, the applicant is proposing to complete improvements within dedicated parks at the time of further subdivision in each DA. The Sandstone Parks + Open Space Strategy (link in Attachment I), prepared by Kinship Design Art Ecology, will inform the future parks improvements based on park type (Nature Park, Community Park, or City Park) with guiding design principles, and will be secured as a condition of rezoning. The applicant has advised that is not practical to provide an estimate at this stage for the monetary value of parks improvements as this will be determined at the detailed design stage; however, the completion of parks improvements is recognized as a substantial CAC.

City Land Transfer

Transfer of land with an approximate area of one hectare will be secured within DA5 for the City. Earlier in the SMP process, it was suggested that this site could be used for a recreation centre and the SMP included language for “consideration for a future community centre” in the Fielding Precinct. Since that time, however, the exploration of options for a South Nanaimo Community Centre has progressed and the preferred location will likely be somewhere in closer proximity to the South Gate Secondary Urban Centre. Staff support the transfer of lands as there may be other appropriate uses for a City-owned parcel in the Fielding Precinct. An independent appraisal provided by the applicant estimates the value of the land (in 2023) to be approximately \$3,812,500.

School District Land Transfer

Transfer of land with an approximate area of two hectares will be secured within DA6 for the School District. SD68 has reviewed and accepted the proposed amenity contribution and may consider the use of the land for a future school site, but is under no obligation to develop the land for a school. An independent appraisal provided by the applicant estimates the value of the land (in 2023) to be approximately \$3,000,000.

Snuneymuxw First Nation Land Transfer

Transfer of lands near the mouth of the Nanaimo River (1200 and 1601 Frew Road) to the Snuneymuxw First Nation (SFN) occurred in May 2023 and additional land (1300 Cedar Road) is expected to be transferred following the rezoning. The provision of land to the SFN is supported as a positive benefit to the greater community and is aligned with City Plan policies as outlined earlier in this report. An independent appraisal provided by the applicant estimates the value of the land (in 2023) to be approximately \$7,750,000 although the significance of the contribution is beyond monetary value.

Fielding Multi-Use Trail

The unconstructed Fielding Road right-of-way separates DA4 and DA5 from the Nanaimo Regional Landfill and is not suitable for development of a collector road. Instead, the Sandstone Spine road is expected to run parallel to the right-of-way, and the right-of-way will be secured for development of an active transportation corridor known as the Fielding Multi-Use Trail (identified

in Attachment H). The estimated value of the Fielding Multi-Use Trail improvements is \$1,178,730.

Transit Improvements

The SMP promotes transit usage throughout Sandstone and contemplates future bus routes being developed in coordination with the Regional District of Nanaimo and BC Transit. In order to support alternative forms of transportation and reduce car dependency, the installation of up to 24 transit stops by the applicant generally along major roads will be secured. Given that the exact transit stop standards and locations are unknown and will be determined at detailed design with future development, no cost estimate has been provided.

Cranberry Connector Study

The final CAC, which has been ongoing since the beginning of the rezoning process, is the contribution towards the Cranberry Connector Alignment Study. This study has informed the proposed transportation mitigation package and continued City work towards the Cranberry Connector design. The approximate value of this contribution is \$175,000.

While the total combined value of the CAC is unknown, Staff support the proposed CAC package as not only meeting but exceeding the anticipated CAC value for a rezoning of this scale, with a diverse range of contributions that will serve the greater Nanaimo community.

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 property 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 the time of building permit issuance. Council is currently considering adoption of bylaw amendments to support implementation of the BC Energy Step Code and Zero Carbon Step Code. If these amendments are adopted, the condition to register a covenant on the Sandstone lands will not be required.

Conditions of Rezoning

Should Council support the application and pass third reading of "Zoning Amendment Bylaw 2023 No. 4500.215", Staff recommend that the following items be secured prior to final adoption of the bylaw:

1. *Master Development Agreement* – Registration of a Master Development Agreement (MDA) through a Section 219 covenant on the subject properties, to secure the Community Amenity Contribution and various other commitments as summarized in Attachment E.
2. *Fielding-Maki Connector Covenant* – Registration of a Section 219 covenant to limit development DA1, DA4, and DA5 until such time as a connector road between Fielding Road and Maki Road is completed or the City and MoTI are otherwise satisfied, as outlined on page 14 of Attachment F.

3. *BC Energy Step Code Commitment* – Registration of a Section 219 covenant to secure a commitment in accordance with the City's Energy Step Code Rezoning Policy (if applicable, per the 'BC Energy Step Code Rezoning Policy' section above). |

SUMMARY POINTS

- The applicant is proposing to rezone 1100 Cedar Road, 1505 & 1605 Fielding Road, and 1750 Rajeena Way from Rural Resource (AR1) and Parks, Recreation, and Culture One (PRC1) to Steep Slope Residential (R10), Highway Industrial (I1), Light Industrial (I2), and Comprehensive Development District Zone Thirteen (CD13).
- The proposed zoning aligns with the Sandstone Master Plan.
- The proposed land use will support development from a regional growth perspective and address the diversity and supply of some of the region's housing and industrial land demands.
- The applicant is proposing a number of contributions that together will form the Community Amenity Contribution package and will be secured by the Master Development Agreement to be registered on the property titles.
- Staff are supportive of the rezoning application and the mitigation measures will reinforce City and regional land use objectives (SMP, City Plan, and Regional Growth Strategy), but acknowledge the risk and impact to the level of transportation service. |

ATTACHMENTS

ATTACHMENT A: Subject Property Map
ATTACHMENT B: Aerial Photo
ATTACHMENT C: Proposed Zoning Map
ATTACHMENT D: Conceptual Plans for CD13 Zone
ATTACHMENT E: Summary of Conditions (Master Development Agreement)
ATTACHMENT F: Transportation Mitigation Measures
ATTACHMENT G: City Staff Transportation Analysis and Context
ATTACHMENT H: Sandstone Parks & Open Space Master Plan
ATTACHMENT I: Links to Technical Studies
"Zoning Amendment Bylaw 2023 No. 4500.215" |

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