

FOR: COUNCIL MEETING
 MEETING DATE: March 23, 2026
 DEPARTMENT: PLANNING AND DEVELOPMENT
 SUBJECT: REZONING APPLICATION NO. RA503 – 950 PHOENIX WAY



Proposal:

To allow a future industrial and agro-industrial development, and parkland dedication



Current Zoning:

AR1 – Rural Resource

Proposed Zoning:

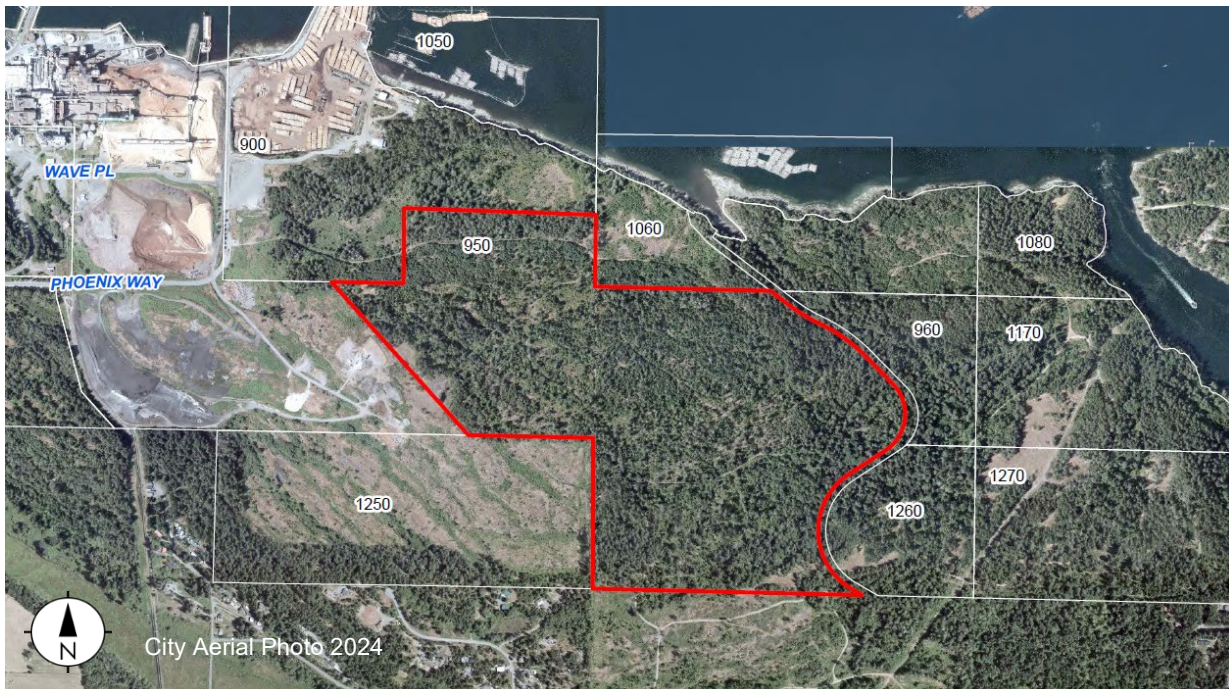
I4 – Industrial with site-specific provisions (use, density, lot area, and lot coverage); and PRC-1 - Parks, Recreation and Culture One

City Plan Land Use Designation:

Industrial

Lot Area:

86 ha (approximately)



OVERVIEW**Purpose of Report**

To present Council with an application to rezone 950 Phoenix Way from Rural Resource (AR1) to Industrial (I4) with site-specific provisions (use, density, lot area, and lot coverage) and Parks, Recreation and Culture One (PRC-1) to allow a future industrial and agro-industrial development, and parkland dedication.

Recommendation

That:

1. “Zoning Amendment Bylaw 2026 No. 4500.249” (to rezone 950 Phoenix Way from Rural Resource [AR1] to Industrial [I4] with site-specific provisions (use, density, lot area, and lot coverage) and Parks, Recreation and Culture One [PRC-1] to allow a future industrial and agro-industrial development, and parkland dedication) pass first reading;
2. “Zoning Amendment Bylaw 2026 No. 4500.249” pass second reading;
3. Council direct Staff to hold a Public Hearing for “Zoning Amendment Bylaw 2026 No. 4500.249”; and,
4. Council direct Staff to secure the conditions related to “Zoning Amendment Bylaw 2026 No. 4500.249” as outlined in the “Conditions of Rezoning” section of the Staff Report dated 2026-MAR-23 prior to final adoption.

BACKGROUND

A rezoning application, RA503, was received from Seward Developments Inc. on behalf of 1351741 BC Ltd., to amend the “[City of Nanaimo Zoning Bylaw 2011 No. 4500](#)” (the Zoning Bylaw) to rezone the subject property at 950 Phoenix Way from AR1 to I4 with site-specific provisions (use, density, lot area, and lot coverage) and PRC-1 to allow a future industrial and agro-industrial development, and parkland dedication.

Subject Property and Site Context

The subject property is a large, landlocked parcel located in the Duke Point area, east of Phoenix Way and the Duke Point Highway. The lands are bordered by the Regional District of Nanaimo (RDN) to the south and the Cable Bay Trail to the east. The site has a grade change of approximately 85 metres, sloping downward to the north toward Northumberland Channel. Notable site characteristics include a second growth Douglas fir forest, pockets of meadow, several terrestrial herbaceous environmentally sensitive areas, and wetlands. The surrounding area is predominantly characterized by developed (Harmac Pacific Pulp Mill) and undeveloped industrial lands to the west, parkland (Cable Bay Trail) to the east, an undeveloped agriculturally zoned parcel to the north, undeveloped rural lands to the east and south, and established rural dwellings to the southwest.

The road dedication, which encompasses the Cable Bay Trail, is approximately 20 metres wide and extends from Nicola Road in the RDN to Cable Bay. A restrictive covenant (EH85016) on title restricts vegetation removal within 10 metres on either side of the road dedication to maintain a visual buffer for the trail. In 2008 the lands on both sides of the Cable Bay Trail were designated ‘Resort Centre’ within the Oceanview Master Plan with the intention of being developed into a golf course and resort-oriented community. With the adoption of “[City Plan Bylaw 2022 No. 6600](#)” (City Plan) in 2022, the subject property was redesignated to ‘Industrial’.

DISCUSSION

Proposed Zoning

The applicant is proposing to rezone a 74.71 ha portion of 950 Phoenix Way from AR1 to I4. The proposed zone includes a site-specific minimum lot area and also includes areas of limited industrial uses generally within 100 metres of the Cable Bay Trail as well as within 50 metres of the south lot line adjacent to rural lands within the RDN. The limited industrial uses areas are intended to reduce the potential impact of heavy industrial activities in proximity to rural lands and the Cable Bay Trail (Attachment B). The uses prohibited within the limited industrial uses areas are outlined on Attachment C.

The applicant also proposes site-specific agriculture use, site-specific lot coverage for farm buildings and provisions for temporary farm worker housing. The proposed agricultural regulations provide for agro-industrial development and reflect the existing AR1 zone, a review of other provincial jurisdictions, and the Ministry of Agriculture's [Guide for Bylaw Drafting in Farming Areas](#) (temporary farm worker housing). A comparison of the existing AR1 zone, and the proposed site-specific I4 zone is outlined in Attachment C.

The rezoning application envisions a site that could support approximately 130,000m² of industrial Gross Floor Area (GFA) serviced by a private access road connecting to Phoenix Way. If rezoned, subsequent development permit applications are anticipated to be required for applicable development on the subject property to ensure that the guidelines within the following applicable Development Permit Areas (DPAs) have been addressed:

- DPA 1: Environmentally Sensitive Areas (ESAs);
- DPA 5: Wildfire Hazard; and,
- DPA 8: Form and Character (Industrial development).

The remaining 11.3 ha portion of lands forming an average 100m forested buffer along the Cable Bay Trail is proposed to be rezoned to PRC-1 and will be dedicated as parkland as a condition of rezoning.

The applicant has submitted a number of technical studies in support of the proposed rezoning including:

- an environmental assessment;
- a wildfire hazard assessment;
- a transportation impact assessment;
- a preliminary servicing report;
- an archaeological overview assessment; and,
- an archaeological impact assessment.

Staff have reviewed and accepted the studies provided, with the understanding that further analysis will occur at the detailed design stage (Development Permit and Building Permit).

Policy Context

The proposed rezoning is consistent with City Plan, including the policy areas highlighted below.

City Plan – Future Land Use

City Plan identifies the subject property within the Industrial future land use designation, which is primarily focused on the lands at Duke Point and supports large format industrial uses that rely on larger land areas and land and water-based transportation connections. The Industrial designation is intended to accommodate industry, generates fewer trips for employees and customers, and may generate noise, vibration, or odours and include activities that are not suitable adjacent to Urban Centres, Corridors, and Neighbourhoods. The proposed site-specific I4 zone is consistent with City Plan policies for the Industrial future land use designation and policy

C5.1.5 which supports maintaining an adequate supply of appropriately zoned land to support new and existing business operations.

To meet City Plan objectives for this area, several provisions will be secured through the Zoning Bylaw amendment and as conditions of rezoning:

- An average 100 metre forested buffer as park dedication between the proposed industrial lands and the Cable Bay Trail (City Plan Policy C1.3.13 & D4.6.16); and
- A 2-hectare minimum lot size to maintain larger lots to support more land intensive forms of industry in the Duke Point Industrial area (City Plan Policy D4.6.15).

City Plan – Natural Areas

In support of the rezoning application, a preliminary environmental assessment prepared by Aquaparian Environmental Consulting Ltd. (dated 2026-FEB-13) was reviewed and accepted. The assessment identifies several terrestrial ESAs and wetlands that fall under DPA1 (Figure 3 in Attachment D). As a condition of rezoning, registration of a Section 219 covenant to develop the subject property in accordance with the recommendations within the environmental assessment (Attachment E) and require a detailed Biophysical Assessment prior to any land-altering works to confirm development permit requirements, including ESA boundaries, leave strip widths, and protection measures. In accordance with the Zoning Bylaw, wetlands require a minimum 15m setback from the high-water mark or water level, while the width of a terrestrial ESA leave strip is determined by a Qualified Registered Professional through a detailed biophysical assessment.

City Plan – Parkland and Park Amenity Management

In accordance with City Plan policy D4.6.16, the applicant has proposed an average 100 metre buffer between the industrial lands and the Cable Bay Trail (Attachment B). The buffer encompasses 11.3 ha, or 13% of the subject property which is proposed to be zoned PRC-1. The extent of the buffer was informed by the environmental assessment and was developed with the intent of encompassing areas of environmental significance. The buffer is intended to be retained in its natural state in an acceptable and safe condition with hazardous trees and/or deleterious materials removed prior to park dedication.

City Plan – Food Security

The proposed rezoning includes several site-specific regulations to permit agriculture, increased lot coverage for farm buildings, and allow accessory housing for temporary farm worker for agro-industrial farm operations on lots over 4 ha which have higher yields per land area such as commercial greenhouses, mushroom, tree fruit and berry/vegetable production. The existing AR1 zone permits agriculture, including commercial greenhouses and crop production. The applicant proposes to maintain this existing permitted use within the proposed site-specific I4 zone and allow accessory farm worker housing. This aligns with City Plan policies that encourage synergies between industries with the opportunity to support regional food security.

City Plan – Mobility Network

The subject property is located outside of an urban centre as identified in Figure 36 of the City Plan, with the nearest centre being the Southgate Secondary Urban Centre (approximately 5.8km to the west). The subject property is a landlocked parcel which is accessed via a private industrial road over 1000 Wave Place that connects to Phoenix Way, which is designated an Industrial local road in Schedule 4 (“Road Network”) of City Plan. As a condition of rezoning, access to the subject property will be restricted to a private single access from Phoenix Way, with the existing access easements on title to be updated. In support of the rezoning application, a transportation impact assessment prepared by Watt Consulting Group (received 2026-FEB-17) was reviewed

and accepted and will be registered on title (Attachment E). The report noted there is potential for creating failing conditions at the intersections of Phoenix Way/Maughan Road; Maughan Road/Duke Point Highway Northbound off ramp; and Maughan Road overpass at Gordon Road. As such, the applicant will be required to provide land use and trip generation reports and new transportation impact assessments prior to specific thresholds of development (35% and 70% of buildout), as well as offsite improvements (where development results in a failing condition), which will be secured as conditions of rezoning.

City Plan – Water, Sewer, & Stormwater Utilities

The subject property is a vacant unserviced lot within the City's Urban Containment Boundary (UCB). City Plan policy C1.5.7 and D2.1.5 support the expansion and prioritization of servicing to lands within the UCB (including lands designated industrial). The lot is proposed to be serviced by City water and the Duke Point service area (sewer) which is operated by the RDN. To accommodate the proposed development and the required fire flows, expansion of Reservoir 8B is anticipated with an increase of 1,083m³ of emergency storage capacity. A requirement to connect to municipal water and municipal sewer, and registration of associated statutory rights-of-way (SRWs) on title for offsite extensions over 1000 Wave Place, will be secured as conditions of rezoning. Stormwater retention and detention is required to be provided in accordance with the City's Manual of Engineering Standards and Specifications (MoESS) to maintain runoff at pre-development levels.

City Plan – Archaeology & Heritage Sites

Remote Access to Provincial Archaeological Data (RAAD) mapping indicates the subject property has areas of high archaeological potential. An Archaeological Overview Assessment (AOA), and subsequent Archaeological Impact Assessment (AIA) prepared by a qualified professional were provided in support of the rezoning application. Staff note that additional archaeological approvals may be required in accordance with Provincial regulations. As part of the rezoning process, the application, AOA and AIA were referred to the BC Archaeology Branch and the Snuneymuxw First Nation (SFN), and the applicant has engaged with SFN.

Community Amenity Contribution

In exchange for the value conferred to the lands through rezoning, the applicant is encouraged to provide a Community Amenity Contribution (CAC) in accordance with Council's [Community Amenity Contribution Policy](#). Using the rate at the time of receiving the application (2023), the CAC would be calculated at a rate of \$34 per m² of industrial gross floor area. Based on a potential gross floor area of 130,000m², a monetary contribution of approximately \$4,420,000 is anticipated. The applicant is proposing parkland dedication of the average 100 metre buffer (11.3 ha) as a CAC which has an assessed value of \$2,090,000. Once development on the lot exceeds the assessed value of the lands to be dedicated as park, any CACs beyond the \$2,090,000 will be provided in the form of a monetary contribution, with 40% to be directed toward the City's Housing Legacy Reserve Fund and the remaining 60% to be directed toward parks and trail improvements initiatives within the City. The park dedication (to be provided within 6 months following final adoption of the Zoning Bylaw amendment) and subsequent monetary CAC contribution to be paid prior to Building Permit issuance will be secured as a condition of rezoning. Staff support the proposed CAC.

Conditions of Rezoning

Should Council support this application and pass third reading of “Zoning Amendment Bylaw 2026 No. 4500.249”, Staff recommend the following items be secured prior to final adoption of the bylaw:

1. *Community Amenity Contribution* – registration of a Section 219 covenant to secure the following:
 - Park dedication (11.3 ha) of lands in an acceptable condition prior to transfer with hazardous trees and/or deleterious materials removed to be provided within 6 months after final adoption of “Zoning Amendment Bylaw 2026 No. 4500.249”.
 - A monetary contribution equal to \$34 per m² of gross floor area (less \$2,090,000 assessed value for the portion of lands dedicated as park) in accordance with the Council’s Community Amenity Contribution Policy, to be paid prior to building permit issuance, with 40% to the housing legacy reserve fund and 60% to be directed towards parks and trail improvements within the City of Nanaimo.
2. *Access Restrictions & Offsite Service Extensions* – registration of a Section 219 covenant to secure the following:
 - Restrict access to the subject property to a private single access from Phoenix Way.
 - No build / no development / no subdivision until the owner updates the access easements to the subject property over 1000 Wave Place, 1250 Phoenix Way, and 1220 Maughan Road, if applicable.
 - Registration of a SRW to accommodate offsite extensions over 1000 Wave Place for water and sanitary sewer services prior to building permit issuance.
3. *Transportation* – registration of a Section 219 covenant to secure the following:
 - Provision of a land use and trip generation report (including new and cumulative data) from a Qualified Registered Professional prior to any development of the lands.
 - Provision and acceptance of a Transportation Impact Assessment from a Qualified Registered Professional prior to development of the lands, where:
 - the proposed cumulative development on the land meets or exceeds 35% of the total area (27.1 hectares) being utilized for any purpose (indoor and outdoor uses), or 35% of the total projected vehicle trips (162 AM and 199 PM peak hour trips), whichever occurs first; and
 - the proposed cumulative development on the lands meets or exceeds 70% of the total area (49.8 hectares) being utilized for any purpose (indoor and outdoor uses), or 70% of the total projected vehicle trips (320 AM and 394 PM peak hour trips), whichever occurs first.
 - Where a new Transportation Impact Assessment confirms that a failing condition has been created, as identified in the transportation impact assessment prepared by Watt Consulting Group, received 2026-FEB-17 (Attachment E) at the Phoenix Way/Maughan Road intersection; Maughan Road/Duke Point Highway Northbound off ramp; and Maughan Road overpass at Gordon Road, the developer will be required to complete off-site improvements prior to any further development of the lands, with details and acceptance to be confirmed with the City of Nanaimo and Ministry of Transportation and Transit.
4. *Water Servicing* – registration of a Section 219 covenant to secure the following:
 - No build / no development / no subdivision until the owner constructs or otherwise secures to the satisfaction of the City, water reservoir 8B with a minimum storage capacity of 1,083m³ and onsite watermain looping to achieve the required 300 liters per second fire flow.
 - No build / no development / no subdivision until connected to a municipal water connection.
5. *Sanitary Servicing* – registration of a Section 219 covenant to secure no build / no development / no subdivision until connected to a municipal sewer connection.

6. *Environmental Assessment* – registration of a Section 219 covenant to develop the subject property in accordance with the recommendations within the environmental assessment prepared by Aquaparian Environmental Consulting, dated 2026-FEB-13 (Attachment D) and provide a detailed Biophysical Assessment prior to land-altering activity.

COMMUNICATION AND COMMUNITY ENGAGEMENT

Community Consultation

The subject property is not within the area of an active neighbourhood association. The applicant hosted a Public Information Meeting (PIM) on 2024-OCT-23 at the Nanaimo Moose Lodge No. 1052 (Moose Hall) from 4:00pm to 8:00pm, where approximately 236 members of the public attended the meeting. Attendees expressed concerns regarding buffering to the Cable Bay Trail; heavy industrial uses; potential impacts from industrial activities (noise, smell, and emissions); risk from potential fire hazards and pollutants; the incompatibility of industrial activities with the surrounding residential properties and the Cable Bay Trail; impact on tourism; loss of undeveloped lands for recreation areas; insufficient setbacks to the RDN and wetlands; tree removal and windthrow hazards; stormwater management; loss of habitat; and impacts on the environment.

Following the PIM the applicant revised their application as follows:

- Added agriculture as a site-specific use, which is permitted in the existing AR1 zone to allow flexibility for agro-industrial uses on the property (ie. commercial greenhouses).
- Revised the rezoning proposal to limit the extent of heavier industrial uses with the subject property, particularly adjacent to the Cable Bay Trail and the RDN.
- Provided updated technical reports to reflect the revised zoning proposal with recommendations to be secured as conditions of rezoning.

CONCLUSION

The proposed zoning amendment is consistent with City Plan's Industrial future land use designation and can be supported as the applicant has demonstrated the feasibility of the proposed industrial and agro-industrial use with potential impacts (traffic, environmental, and land use conflicts) to be mitigated through the conditions of rezoning. The proposal also reinforces City Plan objectives by dedicating the average 100-metre forested buffer adjacent to the Cable Bay Trail as parkland, limiting industrial uses along edges, and increasing the minimum lot size to 2 hectares to maintain capacity for large format industrial uses. The subject property's strategic proximity to Duke Point, major highway corridors, and deep-water docks further underscores its suitability for industrial development. As Nanaimo continues to grow as a key economic hub for Vancouver Island, the preservation, expansion, and provision of well-located industrial lands – with appropriate buffers to non-industrial uses – will be essential to meeting future employment needs while reinforcing the City's commitment to maintaining a viable industrial land base that supports a diversified employment sector and long-term economic resilience.

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KEY MESSAGES

- This application is to rezone the subject property from AR1 to I4 with site-specific provisions (use, density, lot area, and lot coverage) and PRC-1 to allow a future industrial and agro-industrial development, and parkland dedication.
- The CAC proposal includes park dedication of the average 100 metre buffer to the Cable Bay Trail within 6 months of rezoning approval, with an assessed value of \$2.09M.
- The applicant has demonstrated the feasibility of the proposed industrial and agro-industrial use with potential impacts (traffic, environmental, and land use conflicts) to be mitigated through the conditions of rezoning.
- The proposed rezoning is consistent with applicable City Plan policies and reinforces the objectives of the Industrial future land use designation with context specific agro-industrial uses.
- Staff support the proposed Zoning Bylaw amendment.

ATTACHMENTS

ATTACHMENT A: Subject Property Map
ATTACHMENT B: Site Plan
ATTACHMENT C: Zone Comparison (AR1 and Proposed Site-Specific I4)
ATTACHMENT D: Link to Environmental Assessment (dated 2026-FEB-13)
ATTACHMENT E: Link to Transportation Impact Assessment (received 2026-FEB-17)
ATTACHMENT F: Link to Site Servicing Report (dated 2026-FEB-23)
ATTACHMENT G: Link to Wildfire Hazard Assessment (received 2023-DEC-14)
“Zoning Amendment Bylaw 2026 No. 4500.249”

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