

## **REPORT**

### ***Climate Action, Planning and Development***

**To:** Mayor Johnstone and Members of Council in Regular Workshop      **Date:** July 10, 2023

**From:** Jackie Teed, Acting Director of Climate Action, Planning and Development      **File:** REZ00239

**Item #:** 2023-490

**Subject: Pre-Application Review: 111 - 115 Twelfth Street, 118 Eleventh Street, and 1136 Queens Avenue**

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#### **RECOMMENDATION**

**That** Council endorse the recommendations summarized in the 'Feedback from Council' section of this report, and direct staff to include the recommendations and other feedback from the Council in the preliminary application review letter to the applicant.

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#### **PURPOSE**

To receive Council feedback on a Pre-Application Review for the subject sites located within the Lower Twelfth and Sharpe Street Study Area.

#### **EXECUTIVE SUMMARY**

A Pre-Application Review (PAR) submission has been received for the sites at 111 - 115 Twelfth St, 118 Eleventh St, and 1136 Queens Ave which are located within the Lower Twelfth and Sharpe Street Study Area designated with the Official Community Plan (OCP). The intent of the Study Area is to include a non-traditional mix of uses including ultra-light industrial, residential, retail and, service commercial uses. As mixing these non-traditional uses is atypical, it was intended the City would develop a neighbourhood plan which would determine the appropriate uses, location of uses, building forms, general expected densities, and other key items.

The Study Area designation allows catalyst projects to be considered in advance of a neighbourhood plan when the projects meets specific criteria.

The Pre-Application Review submission includes an initial concept for a high density mixed used development with an overall floor space of about 130,000 sq. metres (1,400,000 sq. ft. / ~8.50 FSR) in a podium and tower building form with tower heights ranging from 20 to 42 storeys. The application submission indicates about 18,500 sq. metres (200,000 sq. ft. / 1.2 FSR) of office, 7,900 sq. metres (85,000 sq. ft. / 0.5 FSR) of retail and ultra-light industrial space and 102,000 sq. metres (1,100,000 sq. ft. / 6.5 FSR) of residential floor space. The residential floor space includes 20% inclusionary housing and 3% market rental housing.

The application also includes a proposal to purchase City road rights of way of approximately 3,000 sq. metres (32,000 sq. ft.) to facilitate consolidation of subject lots.

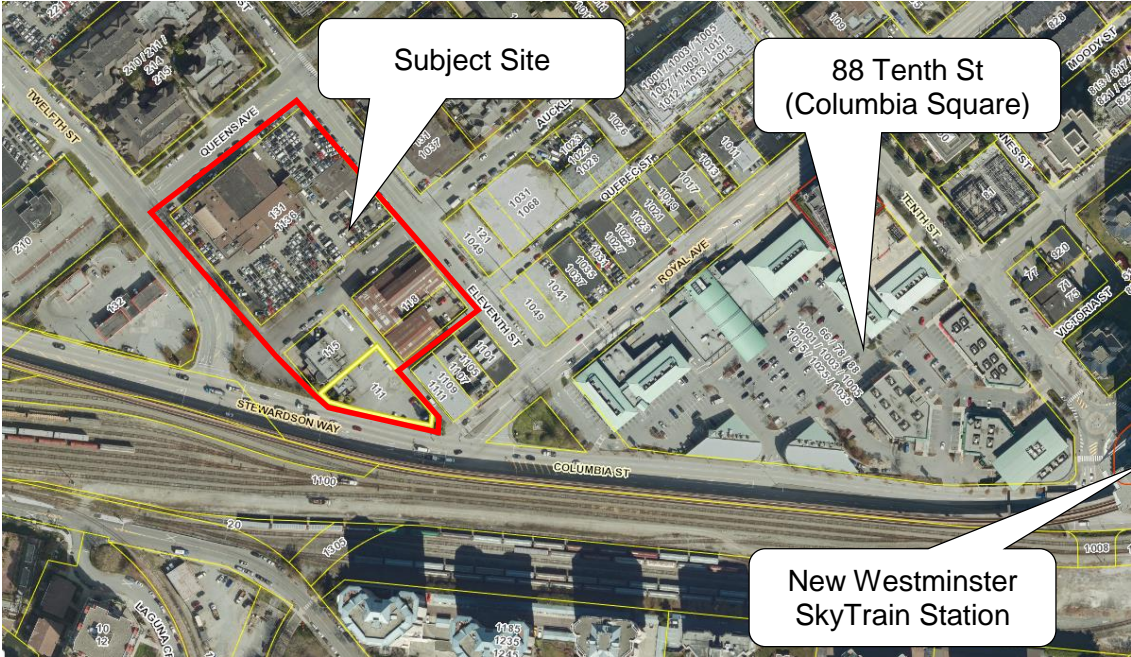
Staff is seeking general feedback from Council on the proposal prior to receiving formal rezoning and OCP Amendment applications, as well more specific feedback from Council on the following key topic areas:

- Catalyst nature of the proposal;
- Non-traditional mix of uses;
- Density and heights;
- Affordable and rental housing; and
- Land exchange consideration.

**BACKGROUND**

**Site Characteristics and Context**

The subject site is four separate lots located within the Lower Twelfth and Sharpe Street Study area with a total area of 12,461 sq. metres (134,137 sq. feet / 3.08 acres).



The site is:

- separated by City road and lane rights of way;
- bounded by Stewardson Way, Twelfth St, Queens Ave and Eleventh St;
- relatively flat and the majority located within the flood plain;
- relatively proximate to New Westminster SkyTrain Station the closest edge of the site is located about 500 metres (1,640 feet) away and the furthest edge is about 650 metres (2,130 feet) away; and
- located adjacent to 88 Tenth Street (Columbia Square) on which an application for rezoning has been received which proposes mixed-use high density development consistent with its designation in the OCP.

More site characteristics and context is provided in [Attachment 1](#).

## **POLICY AND REGULATIONS**

The subject sites are located within the Twelfth and Sharpe Street Study Area, the intent of which is to include a non-traditional mixes of uses including ultra-light industrial, residential, retail and service commercial uses. The study area intends for the City to develop a neighbourhood plan, however does allow a redevelopment application to be made for a catalyst proposal. [Attachment 2](#) provides more information on policy and regulation context.

## **PROPOSAL**

A Pre-Application Review (PAR) submission has been received for the sites at 111 - 115 Twelfth St, 118 Eleventh St, and 1136 Queens Ave. The PAR includes:

- About 130,000 sq. metres (1,400,000 sq. ft. / ~8.50 FSR) total floor space;
- Podiums, and adaptive reuse of two existing buildings, with retail and ultra-light industrial space (~ 7,900 sq. metres / 85,000 sq. ft. / 0.5 FSR);
- One 20 storey office high rise (~ 18,500 sq. metres / 200,000 sq. ft. / 1.2 FSR);
- Four residential high-rise buildings of 32 to 42 storeys;
- Residential floor space of about 102,00 sq. metres (~ 1,100,000 sq. ft. / 6.50 FSR), inclusive of about:
  - 78,000 sq. metres (840,000 sq. ft.) of stratified condo;
  - 3,000 sq. metres (33,000 sq. ft.) of market rental (3% of overall residential floor area / 3.9% condo floor area); and
  - 20,000 sq. metres 215,000 sq. ft. of below-market rental housing (20% of overall residential floor area / 26% of condo floor area)
- Proposed purchase of approximately 3,000 sq. metres (33,000 sq. ft.) of City road rights of way.

Through subsequent formal applications, staff and the applicant would develop the preliminary site plan and massing of the PAR through a series of internal workshops towards creation of a detailed master plan to guide development. The jointly created master plan would be subject to feedback from Council and the public as received through consultation. Applicant submission materials are included in [Attachment 5](#).



Initial Concept Prepared by Applicant

**DISCUSSION**

**Catalyst**

The Official Community Plan states that a catalyst project/development may be considered in advance of a master plan in the Lower Twelfth and Sharpe Street Study Area. To be considered a catalyst a project must:

- 1) be consistent with the Official Community Plan designation especially as it relates to integrating non-traditional employment generating uses;
- 2) act as a catalyst to accelerate other similar development in the area;
- 3) act as a model for establishing foundational analysis and information to guide the City’s future development of a neighbourhood plan for the area;
- 4) set a high standard for redevelopment in the Study Area; and
- 5) identify opportunities to meet other key City priorities.

It is anticipated that a formal application would be able to address these catalyst project requirements, particularly given the size of the lands involved and the central location of the sites within the Study Area.

*Does Council support directing staff to work with the applicant, following submission of formal applications, to ensure the criteria for a catalyst project have been met?*

**Non Traditional Mix of Uses**

The intent of the Lower Twelfth and Sharpe Street Study Area is “to provide an area that includes non-traditional mix of uses including ultra-light industrial, residential, retail and service commercial within individual buildings and projects.” The Study Area was created to offer an opportunity to locate uses which both did not fit on traditional pedestrian oriented streets, and which are not appropriate or able to compete for a limited supply of industrial lands.

As such, the Study Area was not envisioned to include a high amount of traditional retail or office uses and instead is intended to focus on light/ultra-light industrial, commercial service and maker-space uses. The submission currently includes a traditional office building of 20 storeys, and about 18,500 square metres (~200,000 sq. ft.) of retail/light industrial space with a strong focus on traditional retail uses which would not be consistent with the intent of the Study Area (Attachment 3).

In regard to office space, traditional principal use large floorplate office space is expected in more traditional mixed use areas such as the downtown and not necessarily in the Study Area. The type of office space which is anticipated in the Study Area is accessory office space associated with a principal non-traditional use, such as office space for manufacturer and contractors. However, given low office vacancy rates, additional consideration may be warranted provided it does not compromise the OCP vision.

Staff would work with the applicant through a formal application to identify these uses within the development and has prepared preliminary list of potential uses which could be further explored in the Study Area at that time (Attachment 4).

Staff are seeking initial feedback from Council on these initial staff generated uses as a basis for further exploration and whether there are additional uses which would be consistent with the OCP designation and should be considered.

*Does Council support directing staff to work with the applicant on implementing the preliminary list of potential uses, and other similar compatible uses, as part of formal applications?*

*Does Council support further consideration of inclusion of traditional principle use office as part of the amenity consideration of the development?*

Foundational Analysis

An expectation of a catalyst application is that it will provide information and analysis to assist in understanding the needs and impacts of the proposed non-traditional mix of uses. This information is important to both evaluation of the application and as information to guide the City’s future development of a neighbourhood plan and design

guidelines for the Lower Twelfth Street area. It is anticipated that this analysis would include considerations such as:

- Needs of the uses (e.g. loading, floor area / plate sizes, ceiling heights, ventilation, servicing demands, etc.);
- Impacts of such uses (noise, odor, light, vibration, etc.) and how these could be mitigated, particularly as relates to residential uses;
- Strengths and opportunities of the Study Area in attracting particular types of non-traditional employment generating uses;
- Key economic and financial drivers and incentives which could be used in attracting non-traditional employment generating uses;

*Does Council support staff working with the applicant to complete the necessary foundation analysis for the Study Area?*

## **Density**

The Study Area does not provide guidance in terms of expected overall density and building heights on this site as this would be established through the creation of a neighbourhood plan.

The applicant has proposed high density on the site with an overall density of approximately 130,000 sq. metres (1,400,000 sq. ft. / ~ 8.50 FSR). A majority of the proposed density (about 75%) is residential uses (102,000 sq. metres/1,100,000 sq. ft. / 6.5 FSR). Retail and light/industrial uses proposed are 7,900 sq. metres (85,000 sq. ft. / 0.5 FSR). Building heights proposed include four to six storey podiums with towers above for a total height of up to 42 storeys.

In general, pending further analysis and consultation through formal applications, the site is considered appropriate for further consideration of higher density and taller buildings, with provision of appropriate amenities, given:

- proximity to high density uses in the downtown;
- opportunity to address other City objectives and Council strategic priorities, in particular the need for housing and affordable housing;
- topography – tower heights would have decreased impacts at the bottom of the 'brow of the hill';
- costs associated with construction for the non-traditional mix of uses and site remediation would likely need to be offset by density;
- general community support for additional density in the Lower Twelfth Street Area [during development of the OCP](#);

*Does Council support in principle further consideration of high density residential as part of a formal application pending further review and consultation?*

## Housing

### Inclusionary / Affordable Housing

The application includes 20,327 sq. metres (218,800 sq. ft.) of below-market rental housing which equates to 20% of overall residential floor area (26% of strata ownership floor area) which is consistent with expectations of the City's Inclusionary Housing Policy.

Given the preliminary nature of the proposal details on rental rates, ownership or financing have not yet been provided. The applicant has stated they would have discussion on these items to achieve Inclusionary Housing Policy objectives as the application proceeds and that they are open to working with outside funding sources such as CMHC and BC Housing.

### Secured Market Rental Housing

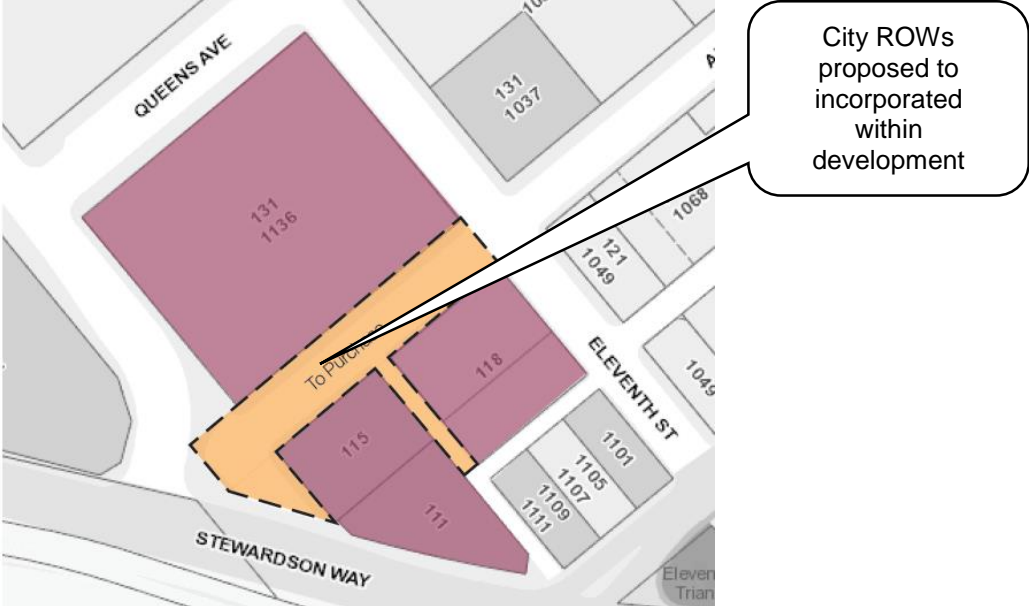
For master planned, multi-unit residential applications, which are larger than a single one-or two-tower development, the City generally seeks a tenure mix that includes about one-third to almost one-half rental units. This is modeled after the tenure mix of the multi-unit residential units in the city as a whole. The application currently proposes 3% of unit as secured market rental tenure units. This is an overall of 23% of floor space as rental tenure (including both market and affordable rental) which does not meet the expected overall tenure mix.

Staff would work with the applicant to increase the rental tenure housing ratio on the site, inclusive of inclusionary housing, with an aim of a tenure mix that is modeled after the tenure mix of the multi-units residential units in the city as a whole.

*Does Council support directing staff to work with the applicant to ensure their proposal meets the City's Inclusionary Housing Policy and Secured Market Rental expectations?*

## City Land Considerations

In order to facilitate the application and create a contiguous development lot, the applicant has proposed purchase of City road rights of way as illustrated below. The area of these road rights of ways is approximately 3,000 sq. meter (30,000 sq. feet).



City owned areas proposed to be incorporated within development

Staff are not supportive of a direct sale of lands in this case given the City’s needs to grow assets and services throughout the community and generally, the City looks to retain land assets especially when they are of significant size for future community needs

Staff would consider support of a land exchange which could result in a win-win scenario where the developer receives the land needed to create a contiguous parcel and the City would receive lands of increased strategic value to grow assets and services throughout the community. Generally, the exchanged land would be from a portion of the subject sites, but the applicant acquiring land or providing funding for land assets elsewhere (off-site) to meet a portion of this requirement could be considered if such land assets are deemed appropriate and of sufficient strategic value.

*Does Council support further exploration of a land exchange which is advantageous for both the applicant and the City, facilitates development, and which results in City land assets in return which are of equal size and of greater strategic value to the City?*

**Additional Discussion**

Additional discussion on pedestrian connectivity, parks and open space and engineering servicing is included in Attachment 6.



**FEEDBACK FROM COUNCIL**

Staff is seeking general feedback from Council on the proposal, as well as feedback from Council on the following staff recommendations:

- 1) That Council direct staff to work with the applicant, following submission of formal applications, to ensure the criteria for a catalyst project have been met.
- 2) That Council direct staff to work with the applicant on implementing the preliminary list of potential uses, and other similar compatible uses, as part of formal applications.
- 3) That Council support further consideration of inclusion of traditional principal use office as part of the amenity consideration of the development.
- 4) That Council direct staff to work with the applicant to complete the necessary foundational analysis for the Study Area.
- 5) That Council support in principle further consideration of high density residential as part of a formal application pending further review and consultation.
- 6) That Council direct staff to work with the applicant to ensure their proposal meets the City’s Inclusionary Housing Policy and Secured Market Rental expectations.
- 7) That Council support further exploration of a land exchange which is advantageous for both the applicant and the City, facilitates development, and which results in City land assets in return which are of equal size and of greater strategic value to the City.

**PRE-APPLICATION REVIEW PROCESS**

A Pre-Application Review (PAR) is intended to provide feedback written feedback from the City in the form of a letter to the applicant to support their decisions as to whether or not to submit required formal applications. In this case, subsequent Official Community Plan amendment, rezoning and development permit applications would be required. Feedback provided by Council would be included in the letter to the applicant for their consideration.

**INTERDEPARTMENTAL LIAISON**

The City has a project-based team approach for reviewing development applications, which facilitates interdepartmental review, providing comments to the applicant throughout the development review process. This project-based team includes staff from Engineering; Climate Action, Planning and Development; Parks and Recreation, Electrical and Fire Departments. Pre-Application Review feedback would be provided to the applicant by all departments as the final step in the PAR.

**FINANCIAL IMPLICATIONS**

Financial considerations will be evaluated as part of a subsequent formal application review process, if received, and detailed in the comprehensive report to Council.

**OPTIONS**

The following options are available for Council’s consideration:

- 1. That Council endorse the recommendations summarized in the ‘Feedback from Council’ section of this report, and instruct staff to include the recommendations and other feedback from Council in the preliminary application review letter to the applicant.
- 2. That Council provide staff with alternative direction.

Staff recommend Option 1.

**ATTACHMENTS**

- Attachment 1 – Site Characteristics and Context
- Attachment 2 – Policy and Regulation Context
- Attachment 3 – Applicant Case Study Examples
- Attachment 4 – List of Potential Uses
- Attachment 5 – Applicant Submission Materials
- Attachment 6 – Additional Discussion

**APPROVALS**

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