

REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council in Workshop **Date:** January 22, 2024

From: Jackie Teed, Director, Climate Action, Planning and Development **File:** Doc #2403046

Item #: 2024-16

Subject: Developing a Lower Twelfth Street Area Evaluation Framework

RECOMMENDATION

THAT Council direct staff to develop an Evaluation Framework for the Lower Twelfth Street area, to enable catalyst development application review and allow them to proceed ahead of an area-wide Official Community Plan (“OCP”) amendment, as outlined in this report.

PURPOSE

To seek Council direction on the initiation of a planning process, supported by key consultancies, to develop a planning framework (“Evaluation Framework”) for the Lower Twelfth Street area. The Evaluation Framework would be used to guide review of catalyst projects, allowing these sites to advance ahead of an area-wide amendment to the Lower Twelfth Street (“LTS”) designation in the OCP.

SUMMARY

The LTS area is identified as a special study area in the OCP. It is intended to become a new mixed-use district with a focus on a non-traditional land uses including ultra-light industrial, retail and service commercial uses. The area is also well situated to address housing needs by providing a mix of residential options, in addition to the above noted uses. The OCP establishes that catalyst projects may be considered in advance of a detailed Master Plan if the project meets the objectives of the area and establishes a high standard for redevelopment. Two development proposals have been recently received, seeking to rezone as catalyst sites for the area. A third site is actively being marketed.

Given the two rezoning applications, and to capitalize on area-wide synergies, staff are proposing to create an Evaluation Framework including guiding principles and an illustrative plan to guide the catalyst proposals. The evaluation framework would help guide the applications to help advance quickly while best positioning the development to respond to top City and Council priorities. Development of the framework would include First Nations and public consultation prior to Council consideration of the Evaluation Framework. Subsequent to Council consideration, staff would report back on the next steps required to complete area-wide OCP amendments for the LTS study area.

BACKGROUND

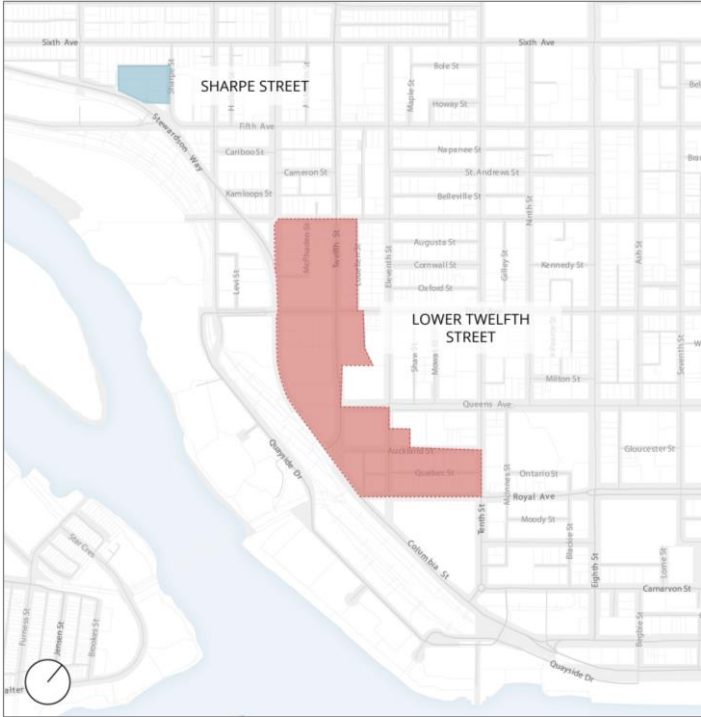
Site Area Boundary and Context

The OCP identifies two distinct areas in the LTS designation. The Lower Twelfth Street area (shown in red) is located directly northwest of the downtown. It is generally comprised of properties along Twelfth Street bounded by Fourth Avenue, Stewardson Way, and Louellen Street. The area extends east to Tenth Street including properties between Royale Ave and Auckland Street.

Also included in the LTS designation are the Sharpe Street properties (shown in blue). These properties are located north of the main study area, between Sharpe Street and Mayes Street on Stewardson Way. The Sharpe Street parcels would not be included in the Evaluation Framework as they are geographically isolated from the main study area and, aside from land use and adjacencies, there are limited similarities between the two areas. Further consideration of the Sharpe Street properties would be completed as part of future City initiated area-wide OCP amendments.

For the remainder of this report, LTS refers to the Lower Twelfth Street properties excluding the Sharpe Street area.

Figure 1. Lower Twelfth Street and Sharpe Street Area



The LTS study area covers approximately 24 acres. The area is characterized by sloping sites, particularly along Third and Fourth Streets, down to relatively flat sites along the Stewardson Way edge. The properties within the study area are primarily zoned to Light Industrial and Service Commercial Districts.

The LTS study area is generally located adjacent to the Brow of the Hill neighbourhood. Properties to the north, east and west are primarily residential, and are designated a mix of ground oriented infill (RGO) and multi-unit building (RM). Columbia Square is located southeast of the study area, which is the subject of an active rezoning application for high-density mixed use.

Official Community Plan Designation

The LTS is identified in the OCP as a special study area. It is intended to become a new district with a focus on a non-traditional mix of uses including ultra-light industrial, residential, retail and service commercial uses. The OCP specifies that the creation of a Master Plan, including design guidelines, is the appropriate next step to guide transition of the area away from lower intensity industrial uses to a creative mixed-use area with spaces for artists, crafts people, artisans, and other creators. The Master Plan would determine appropriate uses, location of uses, building forms and general expected densities.

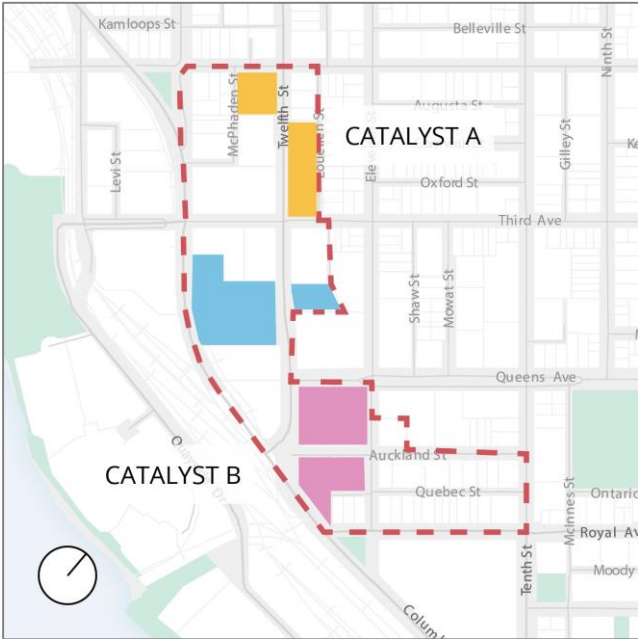
The OCP also establishes that catalyst projects may be considered in advance of the Master Plan, if the project meets the objectives of the area and sets a high standard for redevelopment. It is expected that any catalyst project would complete the necessary area-wide Master Plan and technical studies required to amend the OCP with more specific land use designations and policy directions.

Catalyst Projects

In recent months, two projects have come forward to propose redevelopment. The two catalyst sites are indicated on the map below.

- **Catalyst A** – Rezoning and OCP amendment applications for 301-325 Twelfth Street, 334-338 Twelfth Street and 1208-1212 Fourth Street (shown in orange) has been received. The proposal includes a mix of light industrial/commercial uses on the ground level with residential uses above. The site has unique challenges and opportunities associated with sloping topography and site depth.
- **Catalyst B** – Council considered a Pre-Application Review in July, 2023 for 111-115 Twelfth Street, 118 Eleventh Street and 1136 Queens Avenue (shown in pink). The proposal includes a mix of uses including light industrial, retail, office and residential. Changing the proposed office building to secured rental housing, and potential to include a fire hall was discussed at the Council meeting. Rezoning and OCP amendment applications are anticipated within the next month.

Figure 2. Study Area Boundary and Catalyst Project Sites



A third site show in blue on the map above is actively being marketed for

redevelopment.

The initial submissions for both catalyst proposals provide precedent research including examples of light industrial and non-traditional mixed-use buildings, and sample Area Plans from other jurisdictions (e.g. False Creek Flats in Vancouver). The project

rationale for each site proposes to balance policy objectives (e.g. land use mix, housing affordability, heritage retention, movement patterns) on a site-by-site basis. However, this site-by-site approach has limitations in understanding the full potential of the area.

DISCUSSION

Area-wide Opportunities

Through the preliminary review of the two catalyst proposals, staff have identified a number of Council objectives that would be better considered at a district level. To address this, staff are proposing to develop an area-wide Evaluation Framework, including guiding principles and an illustrative site plan, to ensure a cohesive neighbourhood is achieved and that key opportunities are not missed.

The framework would consider, at a minimum, the following: housing options, creative district (hubs and/or sub areas), public space network, design of Twelfth Street and neighbourhood connections, green infrastructure, and community amenities. Refer to Attachment A for additional details.

Consultant Studies

In order to develop the Evaluation Framework for the catalyst proposals, Staff propose to complete key consultancies to better understand the full potential of the LTS area, as identified in the previous section. These area-wide consultancies are anticipated to include:

- *Market Analysis* – to inform an optimal mix and amount of non-residential land uses including light industrial, and local-serving commercial spaces required to create a vibrant and resilient creative district. The analysis will inform financial considerations on balancing lower income producing land uses (e.g. artist space) with provision of community amenities such as affordable housing.
- *Urban Design Analysis* – to synthesize existing information and policy objectives (e.g. Twelfth as a Great Street) to create an illustrative plan. The design team would provide advice on area-wide potential for: improved connections, public space network opportunities, biodiversity and green infrastructure, and general approach to building massing.

- *Preliminary Financial Analysis* – to confirm that the proposed development can support the community amenities and affordable housing needs generated by the new residents. This analysis will be informed by new Provincial legislation for financing growth.

The outputs of these studies will result in a framework for evaluating the catalyst development applications, which will be reviewed concurrently with development of the framework. This would become a foundation for more detailed and challenging work associated with the required OCP amendments, which will be a subsequent step.

Planning Process Approach

The planning process would include the steps described below. Each step is intended to use the catalyst proposals in an iterative process to: (1) test area-wide planning ideas; and, (2) refine the proposals to align with area-wide ideas. This would allow detailed development application review to proceed concurrently with development of the framework, within a relatively efficient timeframe.

1. Creation of an Evaluation Framework: The Evaluation Framework is envisioned to have two components: guiding principles and an area-wide illustrative plan. Staff would synthesize existing information collected through initial review of the two catalyst proposals, to develop draft guiding principles. A multi-disciplinary consultant team would use the draft guiding principles and Market Analysis recommendations to complete an area-wide Urban Design Analysis that would consider: transportation and neighbourhood connections, public space opportunities, green infrastructure, land use, location of community amenities, and general approach to height and density. The output of the Urban Design Analysis would be an illustrative plan. A Preliminary Financial Analysis would test the economic viability of the area to provide different housing affordability/tenures and amenities.
2. Public Engagement: The Evaluation Framework would include engagement opportunities to gather public feedback. At the outset, staff would reach out to First Nations to determine their level of interest in participating. Once developed, the draft framework would be brought to Council for a workshop, followed by community input.

Engagement opportunities would include: Be Heard, a public open house, meetings with key committees including the Advisory Planning Committee (APC) and Community Heritage Committee (CHC), and Nations referral or additional meetings subject to their level of interest.

Feedback gathered during this step will be used to revise the Evaluation Framework (including guiding principles and illustrative plan) prior to Council consideration.

- 3. Approval: Council endorsement of the Evaluation Framework, including principles and illustrative plan, will set expectations for projects in the area, and conclude the detailed review of the two catalyst applications.

To complete the necessary area-wide OCP amendments, further engagement may be required to finalize the Master Plan. Once the Evaluation Framework is endorsed by Council, an implementation plan would be determined. Implementation may include further work to determine financing growth strategies to deliver required amenities and infrastructure, transportation network improvements, and/or develop area-wide design guidelines.

The catalyst development applications would be processed concurrently with the Master Plan implementation referenced above. Council endorsement of the Evaluation Framework is expected to unlock the catalyst sites allowing them to move through the review process in an expedited manner.

Timeline

It is anticipated that the steps outlined above will be completed as follows:

- Development of Evaluation Framework (#1) would take place through winter/spring (2024)
- Engagement (#2) is targeted for summer/fall (2024)
- Council Approval of the Evaluation Framework (#3) is targeted for fall (2024)

The proposed timeframe is streamlined to enable catalyst projects to advance quickly, in response to Council’s strategic priorities of ‘Building More Homes Faster’, ‘Resilient Economy’ and recent direction from the Province. Achieving this expedited timeline will require a high degree of coordination and cooperation with the catalyst projects.

Provincial Legislation

In November 2023, the Provincial government announced legislative changes aimed at increasing housing supply in transit oriented development areas. The proposed changes include establishing minimum density targets within proximity to rapid transit and introduction of new financing growth tools. The target timeline to complete this work is by June 2024. Initiating a planning for the LTS, would enable staff to respond comprehensively to legislative changes at an area-wide scale.

NEXT STEPS

Should Council direct staff to initiate planning for the LTS study area to develop a framework to evaluate catalyst projects and allow them to advance ahead of an area-wide OCP amendment, staff would proceed with the process proposed above.

FINANCIAL IMPLICATIONS

The budget anticipated to complete the planning framework for the LTS area, including the consultancies outlined in this report, is estimated to be \$175,000. The budget will be refined as consultancies are awarded through the City’s procurement process. The budget is proposed to be cost recovered by the catalyst developers, with necessary funding collected as the contracts proceed. The City received a number of Master Plan applications in 2023, which have paid a master planning fee. To help advance these applications and other related developments, staff have requested a temporary Senior Planner position in the 2024 Operating Budget, which is 100% offset by the master plan application fees. As a result, the LTS area work process would have no direct impact on the City’s Financial Plan.

Development in the LTS area may result in additional growth. Planning for the area would need to consider how additional amenities and infrastructure can be provided through development, to limit any impacts to the City’s financial resources. Given legislative changes to Development Cost Charges (DCC) and introduction of an Amenity Cost Charge (ACC), additional time and direction from Council may be required at a later date.

INTERDEPARTMENTAL LIAISON

Staff across multiple departments would be engaged in creating an Evaluation Framework for the LTS area. The same staff team would then review the development applications. The team includes staff from Planning and Development, Engineering including Transportation; Parks and Recreation; Economic Development; and other groups as required including the Fire Department.

OPTIONS

The following options are presented for Council’s consideration:

- 1. THAT Council direct staff to develop an Evaluation Framework for the Lower Twelfth Street area, to enable catalyst development application review and allow them to proceed ahead of an area-wide Official Community Plan (“OCP”) amendment, as outlined in this report.
- 2. That Council provide staff with alternative direction.

Staff recommend Option 1.

ATTACHMENTS

- Attachment 1 - Evaluation Framework: Key Considerations
- Attachment 2 - Evaluation Framework: Process Diagram

APPROVALS

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