

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: September 23, 2024

From: Jackie Teed
Director, Planning and Development
File: #2535125
Item #: 2024-522

Subject: **Metro 2050 Type 3 Amendment Application: City of Surrey (7880 128 Street)**

RECOMMENDATION

1. **THAT** Metro Vancouver be advised of the City of New Westminster's non-support for the City of Surrey's application to change the regional land use designation of 7880 128 Street, from industrial to employment, as outlined in the staff report titled "Metro 2050 Type 3 Amendment Application: City of Surrey (7880 128 Street)" dated September 23, 2024 from the Director, Planning and Development.
 2. **THAT** staff be directed to send a letter to Metro Vancouver providing:
 - a. Council's resolution on Surrey's amendment application;
 - b. an extract of the Minutes of the September 23, 2024 Regular Council meeting; and
 - c. a copy of the staff report titled "Metro 2050 Type 3 Amendment Application: City of Surrey (7880 128 Street)" dated September 23, 2024 from the Director, Planning and Development.
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PURPOSE

To provide Council with staff's analysis on the City of Surrey's proposed amendments to the Regional Growth Strategy, Metro 2050, in the Newton Industrial area.

SUMMARY

The City of Surrey has submitted to Metro Vancouver a request to amend the Regional Growth Strategy (RGS), changing the regional land use designation of 1.3 hectares of land located at 7880 128 Street from Industrial to Employment. The application has been referred to the City for comment.

The subject site is a single 1.3ha parcel with direct access to a railway line, currently being used by multiple industrial businesses. It is bounded on three sides by industrial lands, and by the “Central Newton Cultural Commercial District” to the north, a policy area established by the City of Surrey in 2013 to contain and prevent the expansion of non-industrial uses while supporting commercial character and services for northwest Newton. The proposed RGS amendment would allow the site to be developed into a ‘Mixed Employment’ 5 storey development, with a retail ground floor and office above, and a two storey child care building.

Staff recommend the City not support the proposed amendment given it would: 1) be inconsistent with Metro’s policies related to protecting existing industrial lands, by removing a relatively large parcel with railway access from industrial use; and, 2) would further expand non-industrial uses meant to be contained in the Commercial District, potentially putting pressure to remove the other surrounding industrial parcels. The materials from City of Surrey also notes the proposal would increase greenhouse gas emissions through increased motor vehicle trips.

BACKGROUND

Amendment Process

Metro Vancouver received a request from the City of Surrey to consider a Regional Growth Statement (RGS) amendment for 7880 128 Street. The City of Surrey’s proposed amendment is a Type 3 Amendment under the regional plan, which requires an affirmative 50% + 1 weighted voted of the Metro Vancouver Board in order to be approved.

On February 26, 2024, the City of Surrey held a public hearing and granted 3rd reading to the OCP and zoning amendment bylaws needed to accommodate commercial uses. Given the change of land use being requested, Surrey can only proceed to adopt the proposed OCP amendments if the regional Board approves the corresponding amendment.

At its July 26, 2024 meeting, the Board of Directors of Metro Vancouver gave first, second, and third readings to the amendment bylaws, and directed their staff to refer the amendment to local governments. On August 20, 2024, the City received the referral from Metro Vancouver (see Attachment 1). The City of New Westminster is invited to provide written comments on the City of Surrey’s application by October 11, 2024.

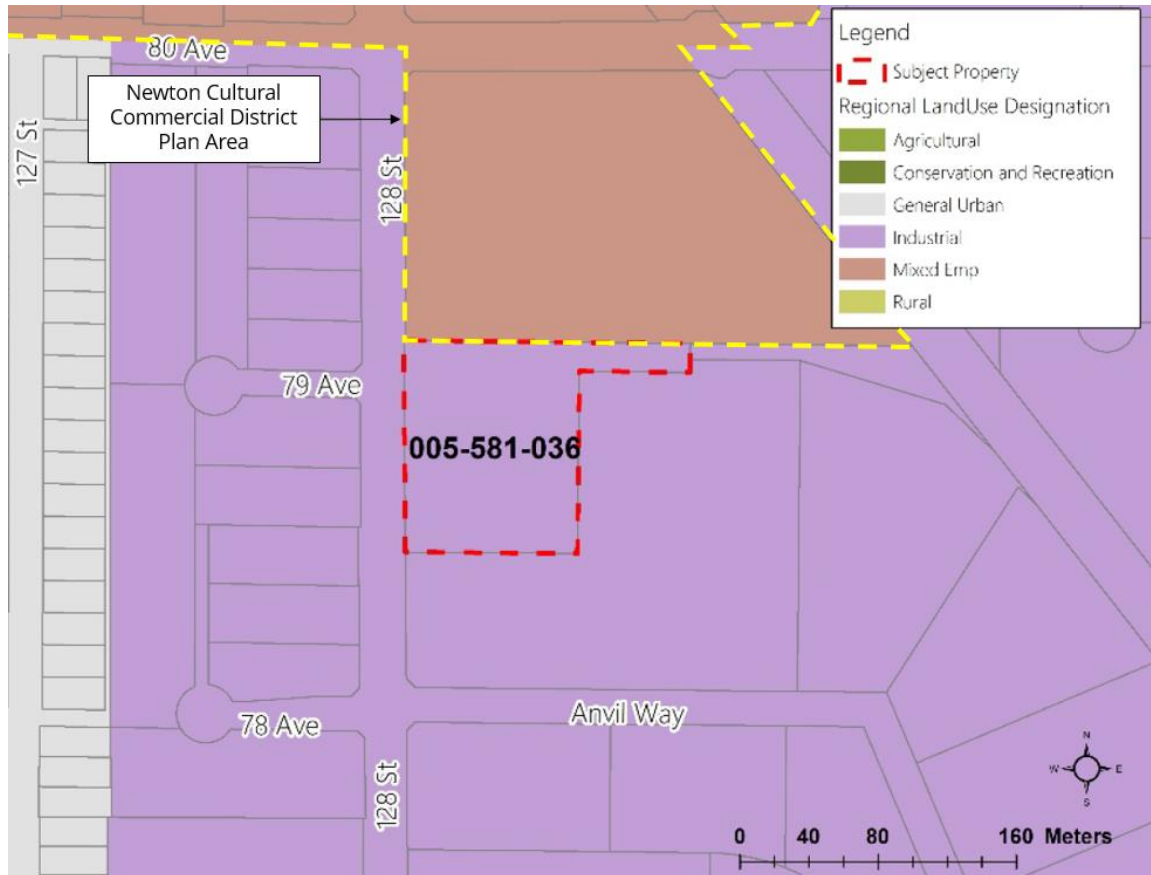
Site Context

The subject site is a single 1.3 hectare parcel at 7880 128 Street, located on the east side of 128 Street and south of 80 Avenue. It is bounded by commercial uses to the north, and industrial uses to the east, west, and south. A direct rail connection exists on the site, connecting to the Southern Rail (Newton) line.

The site directly adjoins the Central Newton Cultural Commercial District to the north, a Local Area Plan designated in 2013 to address redevelopment pressure on industrial lands in this part of Newton. The establishment of the Local Area Plan sought to

concentrate commercial uses into one area, in order to prevent the further erosion of the surrounding industrial lands and uses. The subject site's regional land use designation is Industrial. The subject site is also designated as Industrial in the City of Surrey's Official Community Plan (OCP) and zoned Light Impact Industrial Zone (IL) in Surrey's Zoning Bylaw.

The site, outlined in red below, is currently used as an industrial site by multiple different industrial businesses. The Newtown Cultural Commercial District Plan Area is outlined in yellow.



ANALYSIS

Proposal

The proposed amendment to Metro 2050 would change the regional land use designation from Industrial to Employment (See Attachment 1 for a description of this change). Surrey would also amend their OCP and Zoning Bylaw to allow Mixed Employment on site. If approved, the proposal would amend the Central Newton Cultural Commercial District to include the subject site.

Overall, the proposed regulatory changes would facilitate the development of two five storey 'Mixed Employment' commercial buildings, and one childcare building with a total FSR of 2.0. The commercial building would consist of retail uses on the ground and second floors, and office uses on floors three through five.

Regional Growth Strategy Goals

Below is an overview of the goals from the Metro Vancouver RGS which staff feel are applicable in review of this amendment application:

Support a Sustainable Economy

The RGS seeks to co-locate new commercial and office employment uses near transit stations and existing urban centres. The subject site is located 2km from the Newton Town Centre, where these employment uses would be better located to benefit from the stronger transit connections to the local community.

Permitting the use of non-industrial employment (such as the retail and office development proposed by the applicant) erodes and further fragments the large contiguous industrial area within Metro Vancouver, and will likely increase pressure for similar redevelopments at nearby properties.

Support Sustainable Transportation Choices

The RGS has a goal to support sustainable transportation choices. The proposal includes the construction a 713 space car-park across the ground floor and two basement levels. The City of Surrey staff report estimates that the proposed amendment would lead to a significant increase in vehicle trip generation compared to the site's current Industrial use, and is not encouraging sustainable transport choices.

DISCUSSION

Staff recommend not supporting the proposal. Staff analysis at the City and Regional level share concerns, summarized as follows:

- The supply of industrial lands in Metro Vancouver is limited and in high demand. The existing 1.3 hectare site is within an established industrial area and should remain industrial in land use to meet the needs of the local and regional economy;
- The subject site is strategically located from a goods movement perspective and directly connects to the Southern Rail (Newtown) line by a rail spur, which best serves industrial uses;
- The adjoining 16 hectare Newton Cultural Commercial District was created by the City of Surrey to stop and contain the ongoing loss of industrial lands and intrusion of commercial uses. Adding the subject site to the Newton Cultural Commercial District may further erode the industrial land base and increase pressure for adjacent lands to seek redesignation to non-industrial uses;

- *Metro 2050* stipulates that it is preferable to concentrate the proposed commercial uses within Urban Centres and Frequent Transit Development Areas to encourage sustainable transport choices and create vibrant mixed-use areas. The proposal is located 2km from the nearest centre, and will reduce demand for similar proposals within established urban centres.
- City of Surrey staff report estimates that the proposed amendment would lead to a significant increase in vehicle trip generation compared to the site's current Industrial use, and likely result in a significant increase in greenhouse gas emissions, which also goes against regional reduction goals.

Attachment 3 describes the City of Surrey's proposed amendments and Attachment 2 provides regional analysis of the amendment request, including an overview of the trade-offs.

NEXT STEPS

The City of New Westminster is invited to provide written comments by October 11, 2024. Following the comment period for affected local governments, local First Nations and the public, Metro Vancouver staff will bring summarized comments and the amendment request back to the Regional Board of Directors for their consideration of final reading.

OPTIONS

The following options are presented for Council's consideration:

1. THAT Metro Vancouver be advised of the City of New Westminster's non-support for the City of Surrey's application to change the regional land use designation of 7880 128 Street, from industrial to employment, as outlined in the staff report titled "Metro 2050 Type 3 Amendment Application: City of Surrey (7880 128 Street)" dated September 23, 2024 from the Director, Planning and Development.
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3. That Council provide staff with alternative direction

Staff recommend Options 1 and 2.

ATTACHMENTS

Attachment 1: Metro 2050 Amendment Referral Letter – City of Surrey (7880 128 St)
Attachment 2: Metro Vancouver Staff Report to Regional Planning Committee

Attachment 3: Current and Proposed Regional Land Use Designation and Overlay Maps

APPROVALS

This report was prepared by:
Samuel Austin, Senior Land Use Planner

This report was reviewed by:
Britney Dack, Supervisor, Housing and Land Use Planning
Rupinder Basi, Deputy Director, Planning

This report was approved by:
Jackie Teed, Director, Planning and Development
Lisa Spitale, Chief Administrative Officer