



# City of Richmond

<b>To Public Hearing</b>
Date: <u>June 21, 2010</u>
Item # <u>2</u>
Re: <u>Bylaw 8604 +</u> <u>8605</u>

## Memorandum

Planning and Development Department  
Development Applications

**To:** Mayor & Councillors  
**From:** Brian J. Jackson, MCIP  
Director of Development

**Date:** June 16, 2010  
**File:** RZ 07-380222

**Re:** Application by Onni 6951 Elmbridge Development Corp. for Rezoning at 6951 Elmbridge Way from Industrial Business Park (IB1) to Residential/Limited Commercial (RCL3): Additional Information

### Purpose

Rezoning Bylaw No. 8605, to rezone 6951 Elmbridge Way, was introduced and given first reading of Council on May 25, 2010. At the May 25<sup>th</sup> Council meeting, several issues were raised. The purpose of this memo is to provide clarification in regard to those issues.

#### A. How will commercial growth near the Oval affect the viability of No. 3 Road?

Demand for commercial use is directly related to population. In the City Centre, this is understood to mean that for every 2 residents there is demand for roughly 1 commercial job. Over the next 20 years, as the City Centre's population doubles from 45,000 to 90,000, this is expected to translate into roughly 22,500 additional commercial jobs; and, by build-out (when the City Centre reaches 120,000 residents) a further 15,000 jobs are expected for a total of approximately 60,000.

While No. 3 Road has long been the City Centre's primary commercial focus and will continue to be so, it cannot handle this amount of growth alone. Furthermore, with new housing proposed as far west as No. 2 Road and City objectives for opening up the riverfront, maximizing benefits arising from the Oval, and encouraging less car-dependent lifestyles, it is critical that Richmond encourages the establishment of the Oval Village as a walkable, mixed-use "urban village" offering an attractive range of retail, restaurant, locally-serving office (e.g., medical, dental), and complementary uses.

At build-out, the City Centre Area Plan (CCAP) anticipates approximately 14,000 residents in the Oval Village, generating demand for roughly 7,000 commercial jobs. Of these, half are expected to be located near No. 3 Road. The remainder will be situated within the Oval Village, and will be primarily made up of food stores, restaurants, other uses geared to the needs of local residents, and complementary Oval and river-related activities. Based on this, there is expected to be demand for approximately 700,000 ft<sup>2</sup> – 875,000 ft<sup>2</sup> of commercial floor area in the Oval Village, of which the subject development proposes to provide roughly 15% (+/-115,000 ft<sup>2</sup>). The remainder will be provided by other developments along River Road and Hollybridge Way, including two pending rezoning applications east of the subject site (+/-30%).

#### B. How will the subject development help to ensure retail viability?

The City Centre is an attractive retail environment, but small, strata units (many of which are leasehold) can have difficulty attracting viable businesses and sometimes remain vacant. Often, this situation appears to arise because:

- The range of businesses these units can accommodate is limited by their small size; and
- Owners and tenants may not be fully invested to the area's long-term commercial success (i.e. non-occupant owners may not understand the local market and/or tenants may relocate rather than resolve issues).

The subject developer recognizes this situation and proposes several strategies aimed at addressing it:

- a) Landmark Location: The subject site is prominently situated at the “heart” of the Oval Village – across River Road from the Richmond Oval and at the visual terminus of Lansdowne Road. This strategic location will help to make Onni’s project an instant landmark and, together with its proximity to public riverfront amenities and concurrent residential development, will be a strong attraction both for customers and quality commercial tenants willing to make a long-term commitment to the success of the Oval Village.
- b) Long-Term Developer Investment: The subject developer, Onni, plans to retain ownership and manage the project’s roughly 60,000 ft<sup>2</sup> of ground floor retail space. Within the Lower Mainland, Onni currently owns over 1,000,000 ft<sup>2</sup> of industrial space, 700,000 ft<sup>2</sup> of retail space, and more than 1,000 rental apartment units. Onni’s proposed long-term commitment to the Oval Village is consistent with its real estate strategy and company objectives for investing in emerging areas with significant growth potential. Furthermore, by maintaining control over the project’s retail space, Onni retains greater ability to enhance its investment by maximizing the effectiveness of the commercial space through the coordination of its tenant mix, lease terms, retail promotions, and other considerations/opportunities.
- c) Quality Retail Units: The CCAP provides a density bonus for commercial uses on the subject site. Onni has taken advantage of this to provide a variety of retail units with good street exposure, easy lane access for parking and service vehicles, and large, deep spaces (typically 75 ft. minimum); thus, making them adaptable and attractive to a wide variety of retailers, including convenience uses (e.g., grocery store), local service uses (e.g., hairdresser, travel agent), specialty retail, restaurants, and complementary uses.

### **C. Does the proposed development provide for adequate parking for visitors and shoppers?**

Richmond’s Parking Bylaw directs that the number of required parking spaces on a site must be the sum of that required for each individual use; however:

- Where it can be demonstrated that two or more uses on a site commonly require parking at different times of day, such as residential visitors and commercial uses, those uses may be permitted to “share” parking spaces (i.e. residential visitor parking may be waived, provided that a project’s required number of visitor spaces is less than its required number of commercial parking spaces); and
- While the Bylaw prescribes the number of spaces a commercial development must provide, the City typically does not limit an owner’s ability to reserve spaces for employees or the exclusive use of individual businesses, which can significantly reduce parking availability for shoppers and the residential visitors who are “sharing” the commercial spaces.

In the case of the subject development, staff anticipate that the Oval Village’s unique range of public amenities and attractions will generate unusually high peak parking demands and, therefore, recommend that special steps are taken to ensure there will be adequate parking for residential visitors and shoppers. As such, staff do not support waiving the project’s residential visitor parking requirement (as would be permitted outside the Oval Village), but rather recommend a moderate relaxation in the project’s required number of visitor spaces (from 65 to 40) and the registration of a right-of-way over those spaces. Together, these recommendations will ensure an adequate number of parking spaces for visitors and shoppers by providing 40 more spaces than would be typical of comparable mixed-use projects elsewhere in the City Centre, and ensuring public access to those “additional” public spaces in perpetuity to the satisfaction of the City (i.e. with regard to hours and parking fees).

In addition, to address concerns with regard to the availability of the project’s commercial parking spaces for shoppers and residential visitors, staff recommend that, prior to Development Permit (DP) approval, a covenant is registered on title on the subject site to ensure that a maximum of 50% of the project’s commercial spaces (i.e. 137 max.) may be designated as employee parking or reserved for individual businesses. As a result, a minimum of 187 spaces (i.e. the remaining 50% of the commercial parking plus the 40 “additional” public spaces described above) will be protected for the unrestricted use of shoppers and visitors.

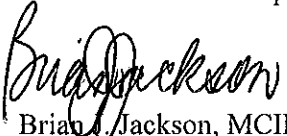
**D. What are the developer's intentions with regard to a future City District Energy Utility (DEU)?**

The developer is aware that the City wishes to pursue the establishment of a DEU in the Oval Village area, and that it will be seeking a utility partner to facilitate the system's design and construction. The developer has indicated support for the City's efforts and has completed a preliminary study identifying the subject development's roughly 60,000 ft<sup>2</sup> of ground floor retail uses as its preferred candidate for possible hook-up to a future DEU system, together with various mechanical requirements that will be incorporated into the building design. Unfortunately, because of development timing, the developer cannot commit to building or pre-piping a hydronic heating and/or cooling system for the residential portions of the building that could have been served by a future DEU.

**E. Have multi-storey "live/work" buildings like the subject development's been built elsewhere?**

The subject development includes 69 live/work units on 4 floors situated above the project's ground floor retail uses and accessed via an entry/elevator lobby designated for the units' exclusive use (i.e. independent of the project's residential towers). This approach is a departure from past live/work developments in Richmond, which have been grade-oriented; but, it is consistent with Richmond's Zoning Bylaw and CCAP objectives for "flexible" work opportunities. Furthermore, multi-storey live/work buildings are common across North America, first made popular by artists re-using old, multi-storey industrial buildings in New York and elsewhere, and later as part of large-scale "brownfield" developments on former industrial lands and purpose-built live/work buildings on the fringes of established downtown cores.

While market reaction to multi-storey live/work development has not yet been tested in Richmond, elsewhere in North America market response has typically been positive and the density, mix of uses, and other features characteristic of live/work have contributed to transforming and revitalizing the neighbourhoods in which they are located. Some such features, including high ceilings, large windows, and flexible open unit plans, are inherent in many artist industrial conversions and are commonly replicated in new construction; however, the market for live/work units is no longer limited to artists and today units are often smaller and designed to accommodate a broad range of professional, office, arts, and business activities. In San Francisco's SoMa community, for example, more than 2,500 medium density, live/work "lofts" have been constructed, geared primarily to the area's technology workers; while in Vancouver's Mount Pleasant community, more than 700 live/work units have been developed for artists and others over the past 20+ years, most of which are in purpose-built, multi-storey buildings. In short, the subject development's proposed live/work building is an exciting opportunity and a desirable housing and work alternative that will support a high quality of life as Richmond's City Centre continues to densify.



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