

Report to Committee

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From:	Wayne Craig Director, Development	File:	TU 23-024083
To:	Planning Committee	Date:	March 11, 2024

Re: Application by Pooni Group for a Temporary Commercial Use Permit at 13651 Bridgeport Road

Staff Recommendation

- That the application by Pooni Group for a Temporary Commercial Use Permit (TU 23-024083) to allow a maximum of 1,490 m² (16,043 ft²) of floor area to be used for 'Warehouse Sales' limited to the sale of household appliances, and the provision of 87 parking spaces, at 13651 Bridgeport Road until February 28, 2027 be considered; and,
- 2. That the application be forwarded to the May 21, 2024 Public Hearing to be held at 7:00 p.m. in the Council Chambers of Richmond City Hall.

nl

Wayne Craig Director, Development (604-247-4625)

WC:le Att. 4

REPORT CONCURRENCE

CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

Pooni Group, on behalf of Midland Appliances (Director – Lee Methot), has applied to the City of Richmond for a Temporary Commercial Use Permit (TCUP) to allow up to 1,490 m² (16,043 ft²) of space for "Warehouse Sales" limited to the sale of household appliances, and the provision of 87 vehicle parking spaces, as a temporary use at 13651 Bridgeport Road on a site zoned "Light Industrial (IL)" (Attachment 1). This would permit Midland Appliances to conduct retail sales to the general public for a temporary period of time until a permanent location is found.

If approved, the TCUP would be valid until February 28, 2027 to coincide with the expiry of the applicant's current lease.

Background

Midland Appliances has operated in Richmond since 1990 and has been at its current location at 13651 Bridgeport Road since 2007, operating under a Business Licence for wholesale trading (business to business transactions). Community Bylaws investigated a complaint in November of 2018 that Midland Appliances was conducting retail sales to the general public at the Bridgeport Road location, which is not a permitted use within the "Light Industrial (IL)" zone. Within the "Light Industrial (IL)" zone only wholesale retailing of goods is permitted. Wholesale operations are limited to business-to-business transactions and do not permit retail sales to the general public.

In December 2020 a TCUP (TU 20-890999) was issued by Council to permit retail sales activities limited to 1,490 m² (16,043 ft²) of area and 87 vehicle parking spaces to permit sales to occur onsite while Midland Appliances actively searched for a suitably zoned property elsewhere in the City. That TCUP expired on December 15, 2023.

Since the issuance of TU 20-890999, Midland has been operating warehouse sales on-site. In February 2022, having been unsuccessful in securing a lease on suitably zoned property elsewhere in the City, the applicant opted to extend their current lease on the subject property. That lease is set to end on February 28, 2027. The applicant submitted an application to extend the TCUP after they entered into the lease extension.

Findings of Fact

Midland Appliances leases the premises and is one of two lessees on the subject site. The subject site is 13,912.8 m² in area and is currently developed with a 6,282 m² (67,622 ft²) warehouse building. Midland Appliances leases the westerly portion of the building, which is 3,990 m² (42,949 ft²) in area.

The site is used for warehousing and distribution of household appliances and includes a showroom that allows potential purchasers to view samples of the appliances (Attachment 2).

A Development Application Data Sheet providing details about the development proposal is provided as Attachment 3.

Surrounding Development

The subject site is located in the Bridgeport planning area. Development immediately surrounding the subject site is as follows:

- To the North: An office and warehouse building on land zoned "Light Industrial (IL)". The warehouse space is being used as storage space as part of Midland Appliances' operations.
- To the South: Across Bridgeport Road, a warehouse building on land zoned "Industrial Business Park (IB1)".
- To the East: Across a railway, land zoned "Light Industrial (IL)".

To the West: Across Viking Way, land zoned "Light Industrial (IL)".

Related Policies & Studies

Official Community Plan/ Bridgeport Area Plan

The Official Community Plan (OCP) land use designation for the subject site is "Mixed Employment". The Industrial North-East Sub-Area and Bridgeport Land Use map within the Bridgeport Area Plan designate the subject site as Industrial, which allows for light and heavy industrial uses and discourages commercial uses (retail with public access).

The OCP allows Temporary Commercial Use Permits in areas designated "Industrial", "Mixed Employment", "Commercial", "Neighbourhood Service Centre", "Mixed Use", "Limited Mixed Use" and "Agricultural" (outside of the Agricultural Land Reserve), where deemed appropriate by Council and subject to conditions suitable to the proposed use and surrounding area.

Council's consideration of the proposed temporary commercial use permit for "Warehouse Sales" is generally consistent with the applicable policies in the OCP.

Industrial Land Intensification Initiative

In 2021, Council adopted the Industrial Lands Intensification Initiative and associated Zoning and OCP Bylaw amendments which established policy direction to: protect industrial land for industrial use; remove barriers to more intense forms of industrial development; accommodate new and emerging types of industrial businesses; and, prevent non-industrial uses from eroding the viability of industrial land for industrial users.

As a result of this initiative, there were no changes to the range of permitted retail uses (including "Warehouse Sales") in the City's "Industrial (I)", "Light Industrial (IL)" or "Industrial Business Park (IB1, IB2)" zones. "Warehouse Sales" continues to be a permitted use within the "Industrial Retail (IR1, IR2)" zone. There were also reduced parking regulations introduced for selected defined industrial uses.

The proposal can be considered on the basis that the temporary nature of the application does not impact the longer-term intended industrial use of the subject site, and that the OCP provides for the consideration of such uses on a temporary basis.

Richmond Zoning Bylaw 8500

The subject site is zoned "Light Industrial (IL)", which allows for a range of industrial uses. The applicant proposes to include warehouse sales in a showroom-type setting and to allow retail sales to the general public, until February 28, 2027 to coincide with the expiry of Midland Appliances' current lease.

The applicant's current operations include retail sales and associated on-site warehouse storage. Their current operations are permitted within the "Industrial Retail (IR1)" zone. There are approximately 228 acres of land zoned "Industrial Retail (IR1)" in the City. Retail sales of home appliances are permitted in most of the City's commercially zoned lands.

Local Government Act

The Local Government Act states that TCUPs are valid for a period of up to three years from the date of issuance. An application for one extension to the Permit may be made and issued for up to three additional years, at the discretion of Council. Staff has proposed, and the applicant has agreed, that the TCUP would expire concurrently with the end of Midland Appliances current lease, on February 28, 2027.

Public Consultation

A notification sign has been installed on the subject site. Staff have not received any comments from the public about the TCUP application in response to the placement of the notification sign on the property. Should the Planning Committee and Council endorse the staff recommendation, the application will be forwarded to a Public Hearing, where any area resident or interested party will have an opportunity to comment. Public notification for the Public Hearing will be provided as per the Local Government Act.

Analysis

Proposed Warehouse Sales Use

Midland Appliances currently occupies 3,990 m² (42,949 ft²) of space in the western portion of the un-stratified building on the subject site (Attachment 2). This space is currently under lease to Midland Appliances until February 28, 2027. The eastern portion of the building (13851 Bridgeport Road) is leased by Arrow Speed Controls.

The proposed continued use of a portion of the site for warehouse sales would not alter the established form of development in the area, nor change its primarily industrial character. The existing layout includes 2,068 m² (22,258 ft²) of warehouse space, 432 m² (4,648 ft²) of office space and 1,490 m² (16,043 ft²) of showroom space for sales of household appliances. The showroom makes up approximately 40 per cent of the interior ground floor space at 13651 Bridgeport Road.

Previously Issued Temporary Commercial Use Permit (TU 20-890999)

As noted, the City issued a Temporary Use Permit to Midland Appliances in December 2020 to permit 1,490 m² (16,043 ft²) of space for "Warehouse Sales" use limited to the sale of household appliances. That permit expired on December 15, 2023. The current application seeks approval for substantially the same use.

Under the conditions of TU 20-890999, the applicant was required to complete on-site upgrades, including the marking of a pedestrian pathway, the provision of onsite Class 1 and Class 2 bicycle parking spaces and the provision of 87 clearly marked vehicle parking stalls, including two accessible vehicle parking spaces. The City is holding a \$10,000.00 security to ensure that these conditions are completed, and that the on-site improvements are maintained. Staff has conducted a site visit and confirmed that the landscaping remains in good condition and in compliance with zoning; and, that all requirements of TU 20-890999 have been met.

There have been no complaints received by staff over the duration of TU 20-890999, and no issues reported regarding the provision of adequate parking by Midland Appliances at 13651 Bridgeport Road.

Changes to On-Site Vehicle Parking

The previously issued TCUP (TU 20-890999) secured 87 vehicle parking stalls. Since that time, the parking requirements Zoning Bylaw 8500 have been updated, and the current requirement is 62 vehicle parking spaces.

The applicant has conducted a Parking Study indicating that they can meet the required number of parking stalls of 62 vehicle parking stalls by using some of the parking stalls at the adjacent property to the north, Unit #110 - 2800 Viking Way. Midland Appliances has secured a lease for the warehouse space at Unit #110 - 2800 Viking Way that expires February 28, 2027, coinciding with the expiration of their lease at 13651 Bridgeport Road.

The applicant proposes to maintain the 87 stalls previously provided under their previous TCUP (TU 20-890999) and assign 62 stalls for Midland's exclusive use, and the remaining 25 stalls secured previously would be available for other uses.

Applicant Efforts to secure alternative location

The applicant has been actively searching for a new location for the business over the last three years and has provided a summary of the work undertaken by Midland Appliances and their commercial broker to secure an appropriately sized and zoned space during the term of TU 20-890999 (Attachment 4). The applicant has identified that in order to meet Midland Appliances' business needs, they require a site where zoning permits warehouse sales and with a minimum size of 15,000 ft² or larger.

Together with their commercial broker, Midland Appliances evaluated 25 potential industrial sites (either vacant or coming up for lease). Of those 25 properties explored, five were identified as suitable based on their size and appropriate zoning; however, the applicant was unsuccessful in their attempts to lease or purchase an alternate location.

The applicant has indicated they are having difficulty in finding an appropriately zoned and sized space for the relocation of Midland Appliances' business operations. The applicant's letter indicates that they understand the need to relocate and believe the extension to the TCUP will provide sufficient time to actively secure an appropriately zoned property. Staff supports the applicant's request for more time to find an appropriate space.

If approved, the Temporary Use Permit would allow Midland Appliances to conduct sales to the general public until February 28, 2027, while they seek an alternative appropriately zoned property within this time period.

Financial Impact

None.

Conclusion

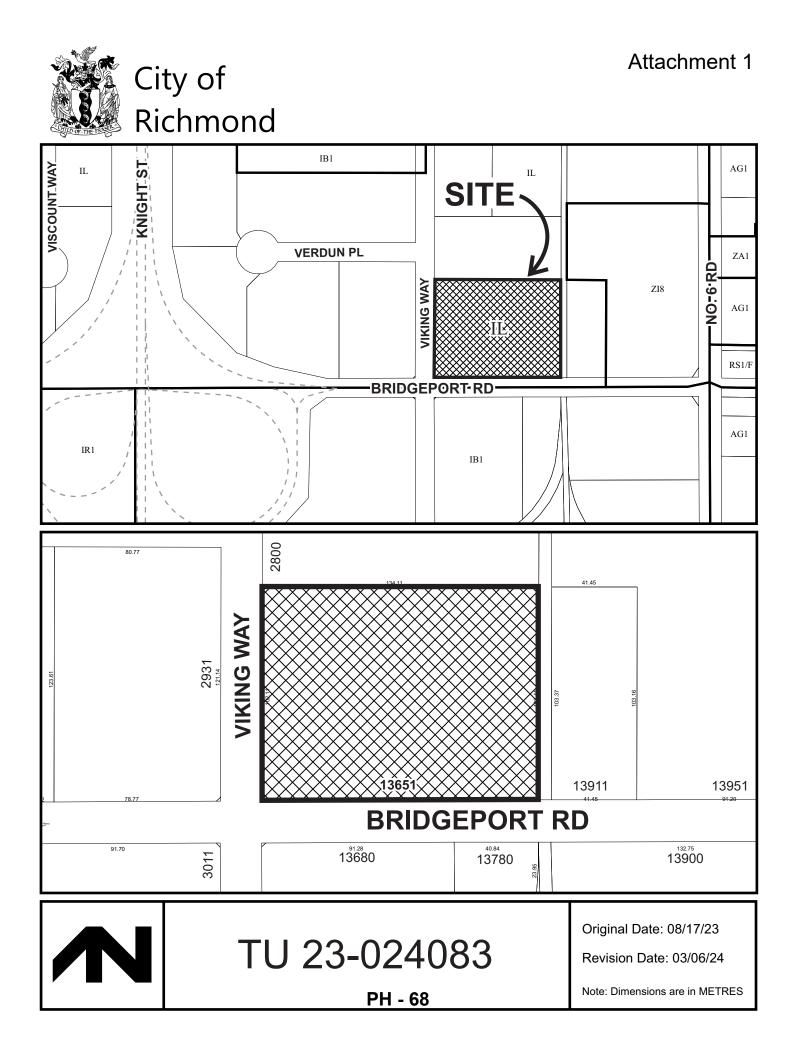
The proposed temporary use at the subject property is generally acceptable to staff on the basis that it is temporary in nature, that the applicant has demonstrated reasonable efforts to have tried to acquire a suitable alternative location and that they are committed to continuing their search for a suitable space to relocate to prior to the expiry of their current lease.

It is recommended that the attached Temporary Commercial Use Permit be issued to the applicant to allow "Warehouse Sales" at 13651 Bridgeport Road limited to the sale of household appliances and the provision of 87 parking spaces until February 28, 2027.

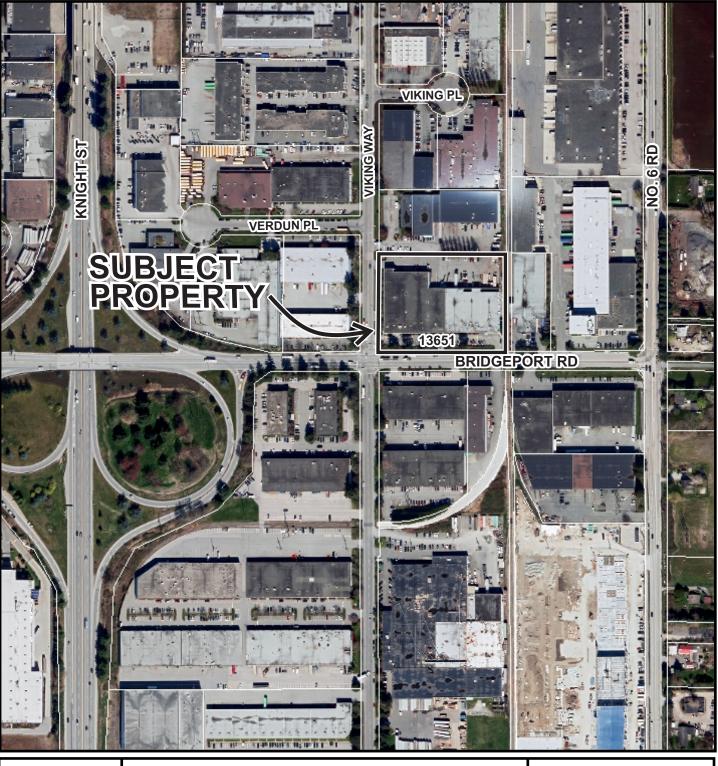
Laurel Eyton Planning Technician (604-276-4262)

LE:js

- Att. 1: Location Map
 - 2: Site Plan
 - 3: Development Application Data Sheet
 - 4: Lease Exploration Memo







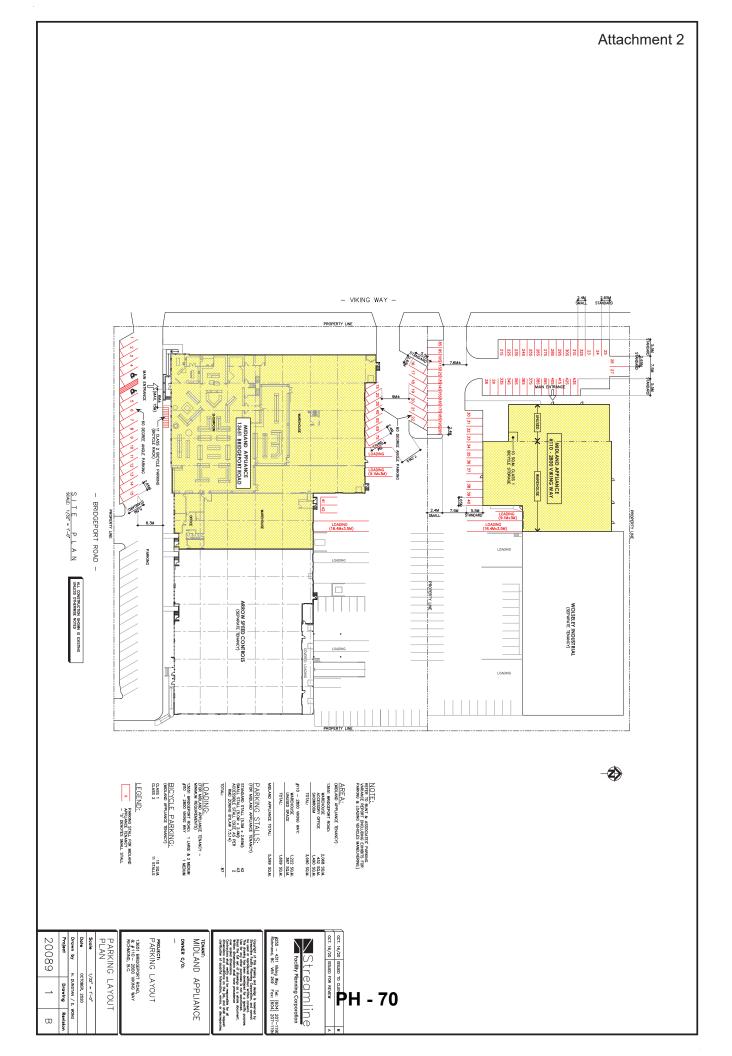


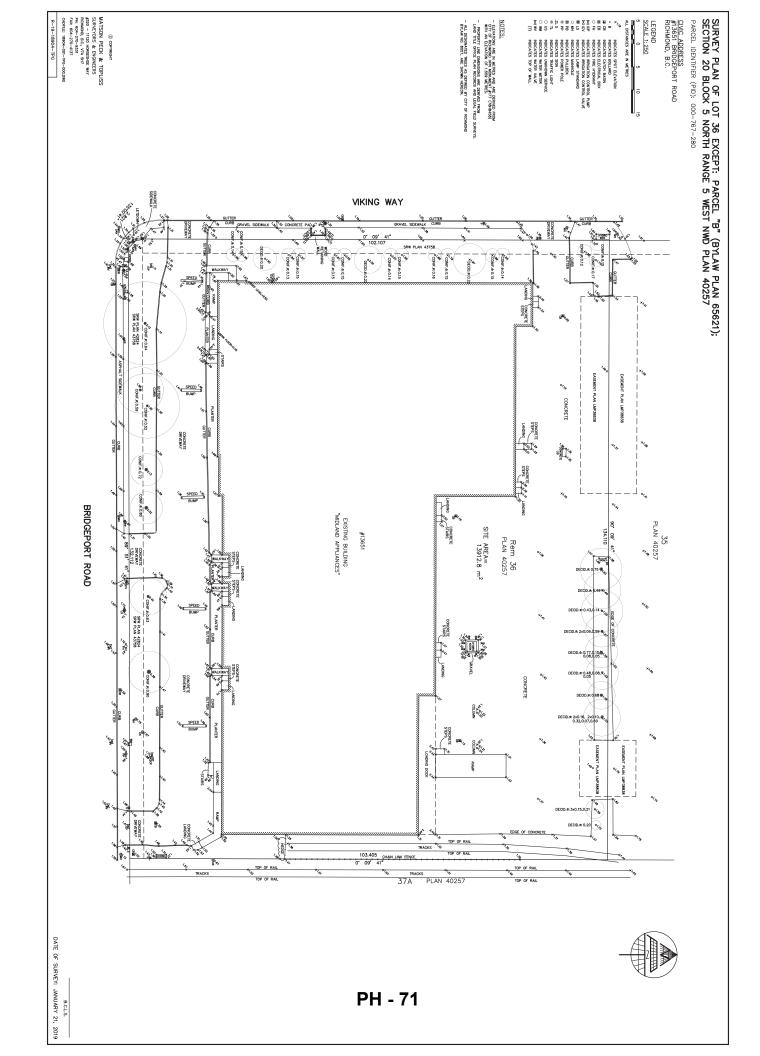
TU 23-024083

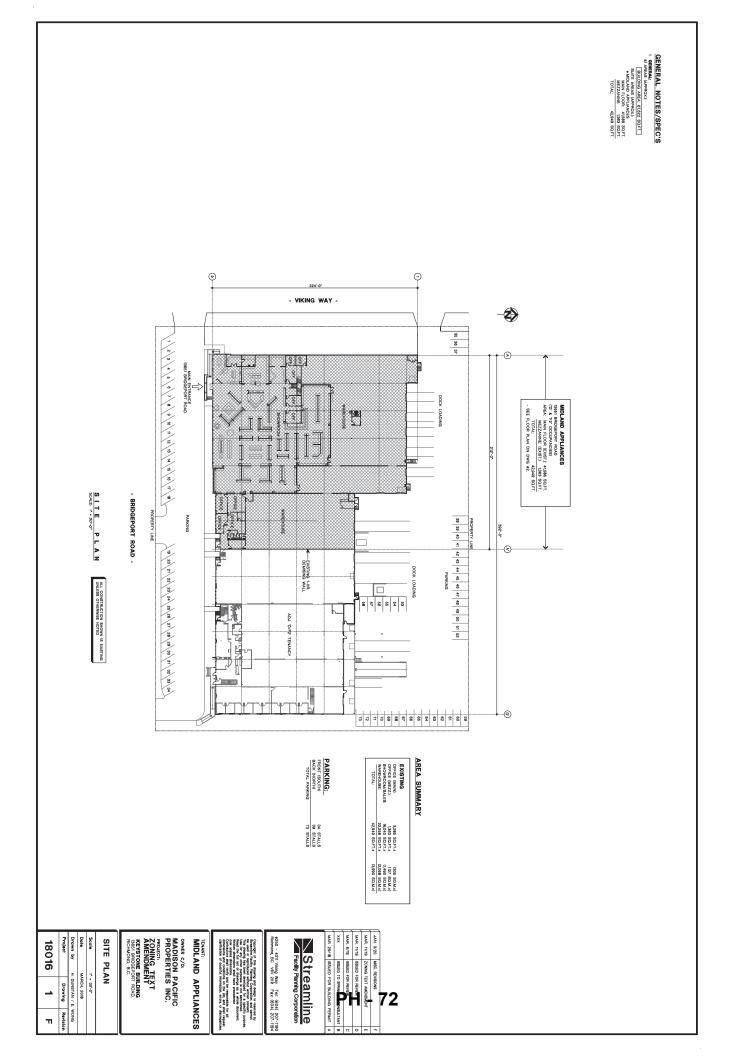
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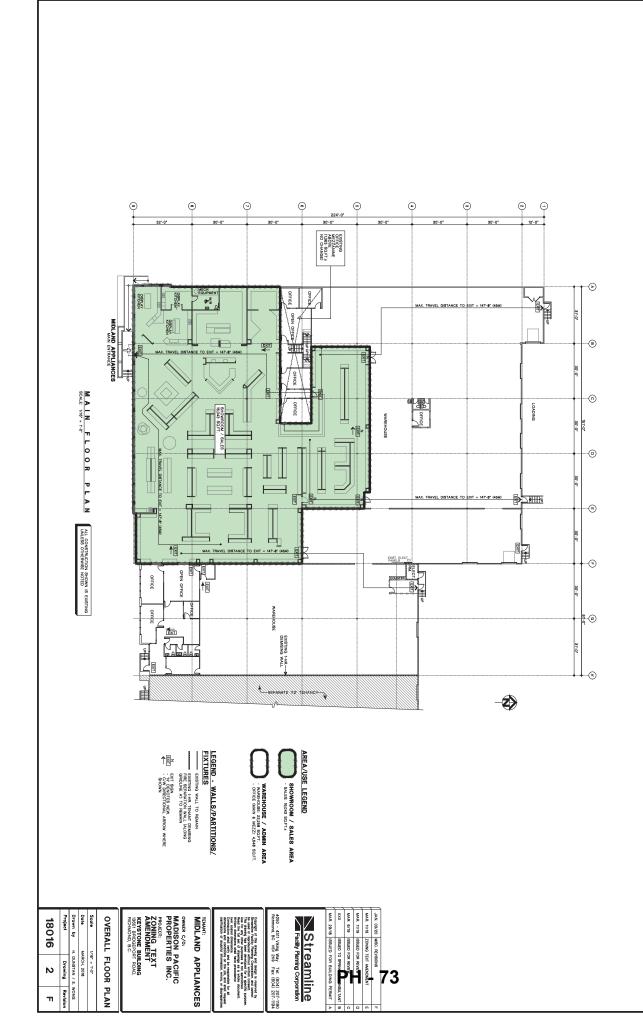
Original Date: 08/17/23 Revision Date: 03/06/24

Note: Dimensions are in METRES











Development Application Data Sheet

Development Applications Department

TU 23-024083

Attachment 3

Address: 13651 Bridgeport Road

Applicant: Pooni Group

Planning Area(s): Bridgeport

	Existing	Proposed
Owner:	Vanac Development Corporation (Director: Raymond Heung)	No change
Site Size (m ²):	13,912.8 m ² [149.756 ft ²]	No change
Total Building Size (m ²): Midland Portion of Building (west portion) (m ²):	6,282 m² [67,622 ft²] 3,990 m² [42,949 ft²]	No change
Land Uses:	Industrial Warehouse Warehouse Sales (limited to the sale of Household appliances only)	No change
OCP Designation:	Mixed Employment (MEMP)	No change
Bridgeport Area Plan Designation:	Industrial	No change
Zoning:	Light Industrial (IL)	No change

On Development Site	Bylaw Requirement	Proposed	Variance
Total amount of space for "warehouse sales" at 13651 Bridgeport Rd (m²)	Not permitted	TUP to permit 1,490 m ² [16,043 ft ²] of warehouse sales space	None
On-site Vehicle Parking	62	87	None
On-site Bicycle Parking:	Class 1: 11 Class 2: 11	Class 1: 11 Class 2: 11	None



MEMORANDUM

То:	Laurel Eyton, Planning Technician, City of Richmond	Date:	January 31, 2024
From:	Pooni Group	Project:	TUP Extension
RE:	Summary of Lease Exploration: Midland TUP Extension	Project #:	TU 23-024083

Background

In December 2020, Richmond City Council approved a Temporary Use Permit (TUP) for Midland Appliances (Midland) currently operating at 13651 Bridgeport Road. The TUP is for three years, with the potential for a three-year extension. In June 2023, Pooni Group, on behalf of Midland, submitted a TUP extension application to the City of Richmond for consideration.

Since 2021, Midland and its commercial real estate brokerage, Floorspace Commercial, have been searching extensively for a new location. 25 properties were identified as potential industrial sites (vacant or coming up for lease). Out of the 25 locations that were explored, 5 were identified as suitable based on a size requirement of 15,000 square feet or larger and having the appropriate zoning.

Midland submitted seven offers to lease or purchase the five individual sites (two sites received two offers each). In summary, Midland was not able to secure either a lease or purchase of an alternate location for the following reasons:

- the landlord choosing to renew existing leases,
- expectations on pricing that was not supported by market valuation (i.e., too high),
- lack of responsiveness from the landlord or owner.

Midland has been unsuccessful in finding an alternative location in the TUP period, but understands the need for them to relocate so continue to be actively seeking alternatives for a relocation site. The current industrial vacancy rate in Richmond continues to be at all-time lows (0.9%¹); this is also increasing the lease rates and feasibility for relocation in any proximity to the site and Midland's target market area.

Unsuccessful Offers

The following table provides an overview of the five sites where offers have been drafted for owners/property managers with a summary of the results of the negotiations. Seven proof of offers for the five prospective properties were provided to City of Richmond staff and are not included for privacy reasons.

¹ Colliers, Vancouver Office Market Report Q3 2023

https://www.collierscanada.com/en-ca/research/vancouver-office-market-report-2023-q3



200–1055 West Hastings Vancouver, BC, Canada V65pH9-75 604.731.9053 info@poonigroup.com www.poonigroup.com



Site	Size (sf)	Date of Offer	Status as of August '23	Summary Result
10880 No. 5 Rd	18,000	April '23	Available	The property is currently available and Midland has submitted a sublease offer for the vacant property. There has been no response received from the sublandlord or management company.
12180 Bridgeport Rd	18,012	Sep '22 (purchase) / Mar '23 (lease)	For sale only	The offers for both purchasing and leasing the property were not accepted because the landlord's expectation on pricing was too high and not supported by market valuation.
2633 Sweden Way	25,507	Sep '20 (lease) / May '23 (lease)	Off Market	Lease offers submitted twice with no response. Landlord renews existing tenant's lease.
2780 Sweden Way	25,000	Mar '23	Off Market	Lease offers submitted but option to renew given to existing tenant Staples. Midland is unable to secure a lease at present.
11938 Bridgeport Rd	18,000	May '21	Off Market	Offers submitted for both lease and purchase. Purchase was taken off table as lender refused to finance because of roof repair issue. Lease offered to another tenant.

The following table provides a summary of the properties that were either available for lease or purchase that have been reviewed in Midland's extensive search in the Richmond market. In addition to the five properties listed above, 20 other properties were considered and carefully examined but did not work out for several reasons, as follows:

- Zoning prohibited the use that Midland requires to operate its business (4)
- The size of the available lease area does not meet the operating requirements of Midland (2)
- Several properties were (re)leased to other tenants before an offer could be submitted (10)
- Property had restrictive covenants from neighbouring tenants that prevented businesses with a similar nature to Midland's (1)
- Several properties had unresponsive landlords or landlords informing Midland that existing tenants would be renewing (2)
- Several properties had unfavourable lease tenures or demolition clauses that would be prohibitive to Midland's business. Landlords refused to sign a long-term lease or remove the demo clause (3)

List of Properties Investigated

#	Address	Zoning	Size (sf)
1	10880 No. 5 Road	ZMU18	32,000



	/ 12339 Steveston Hwy		
2	12180 Bridgeport Road	IR-1	18,012
3	2780 Sweden Way	IR-1	25,000
4	2633 Sweden Way	IR-1	25,507
5	11938 Bridgeport Road	IR-1	18,000
6	12720 Bathgate Way	IB-1	24,408
7	7911 Alderbridge	CA	23,000
8	4955 No.3 Road	CA	23,000
9	5400 Minoru	IR-1	30,587
10	3511 Jacombs	IB-1	23,098
11	12080 Bridgeport	IR-1	17,207
12	3200 No.3 Road	ZMU-25	9,329
13	9711 Bridgeport Road	IR-1	5,000 - 20,000
14	13551 Commerce Parkway	IB-1	17,709
15	3870 Jacombs Road - #104	IB-1	15,800
16	3870 Jacombs Road - #107	IB-1	21,430
17	3239 No. 6 Road, SL27	IB-1	12,286
18	6900 Graybar Road	IB-1	16,246
19	3810 Jacombs Road	IB-1	25,525
20	12553 Bridgeport Road	IR-1	20,000
21	3351 Sweden Way	IR-1	20,000
22	13268 Worster Court	IB-1	20,912
23	4771 McClelland Road	ZC-32	25,000
24	10651 Shellbridge Way	IB-1	29,690
25	13799 Commerce Parkway	IB-1	26,211



No. TU 23-024083

To the Holder:	POONI GROUP
Property Address:	13651 BRIDGEPORT ROAD
Address:	POONI GROUP SUITE 200 – 1055 WEST HASTINGS STREET VANCOUVER, BC V6E 2E9

- 1. This Temporary Commercial Use Permit is issued subject to compliance with all of the Bylaws of the City applicable thereto, except as specifically varied or supplemented by this Permit.
- 2. This Temporary Commercial Use Permit applies to and only to those lands shown cross-hatched on the attached Schedule "A" and any and all buildings, structures and other development thereon.
- 3. The subject property may be used for the following temporary Commercial uses until February 28, 2027:

Warehouse Sales to a maximum floor area of 1,490 m² (16,043 ft²) as shown crosshatched on the attached Schedule "B" and limited to the sale of household appliances only and the provision of 87 vehicle parking spaces.

- 4. Any temporary buildings, structures and signs shall be demolished or removed and the site and adjacent roads shall be maintained and restored to a condition satisfactory to the City of Richmond, upon the expiration of this permit or cessation of the use, whichever is sooner.
- 5. As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Holder if the security is returned. The condition of the posting of the security is that should the Holder fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the City may use the security to carry out the work by its servants, agents or contractors, and any surplus shall be paid over to the Holder, or should the Holder carry out the development permitted by this permit within the time set out herein and comply with all the undertakings given in Schedule "C" attached hereto, the security shall be returned to the Holder.

There is filed accordingly:

An Irrevocable Letter of Credit in the amount of \$10,000.00.

This irrevocable letter of credit is associated with the commitments secured in the prior issued TCUP (TU 20-890999) and is being held to ensure that the improvements are adequately maintained, namely:

- 87 vehicle parking spaces, of which two must be accessible vehicle parking spaces;
- All 87 vehicle parking spaces must be clearly lined and painted;
- 11 Class 1 bicycle parking stalls (or the equivalent of 10 m²) within unused office space;
- 11 Class 2 bicycle parking spaces near the front entry to the building; and,
- A defined pedestrian pathway from the City sidewalk and the on-site outdoor bicycle parking to the front entrance of the building.
- 6. The land described herein shall be developed generally in accordance with the terms and conditions and provisions of this Permit and any plans and specifications attached to this Permit which shall form a part hereof.
- 7. If the Holder does not commence the construction permitted by this Permit within 24 months of the date of this Permit, this Permit shall lapse and the security shall be returned in full.

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This Permit is not a Building Permit.

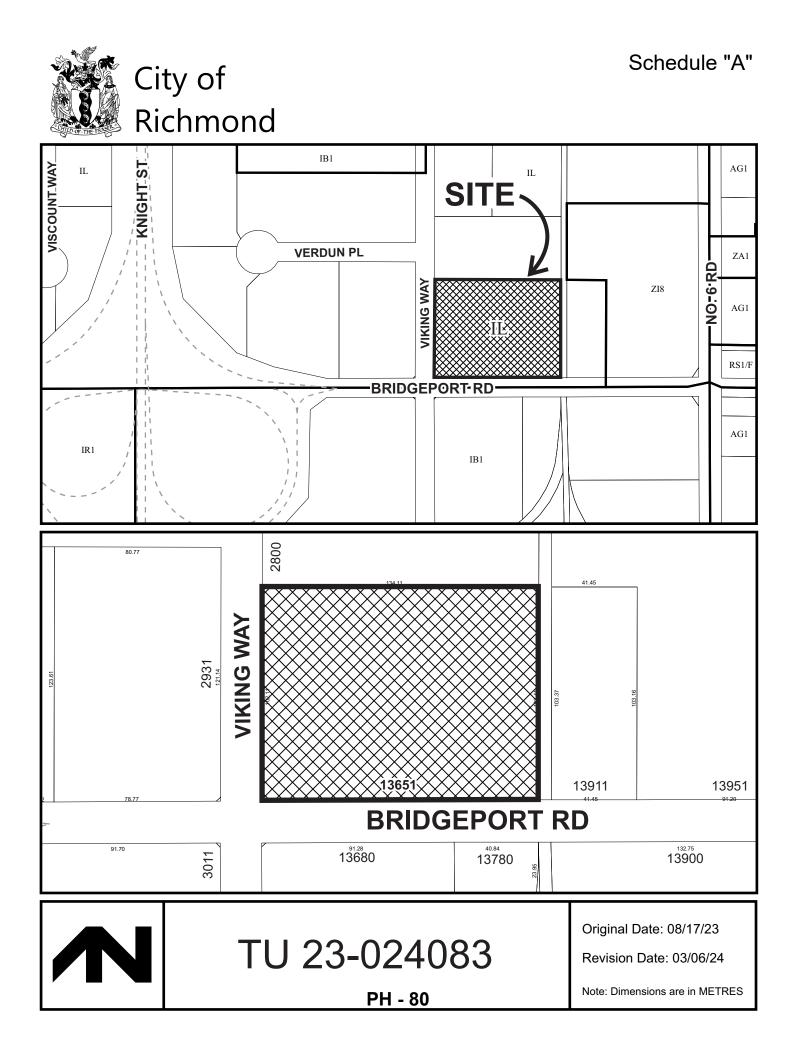
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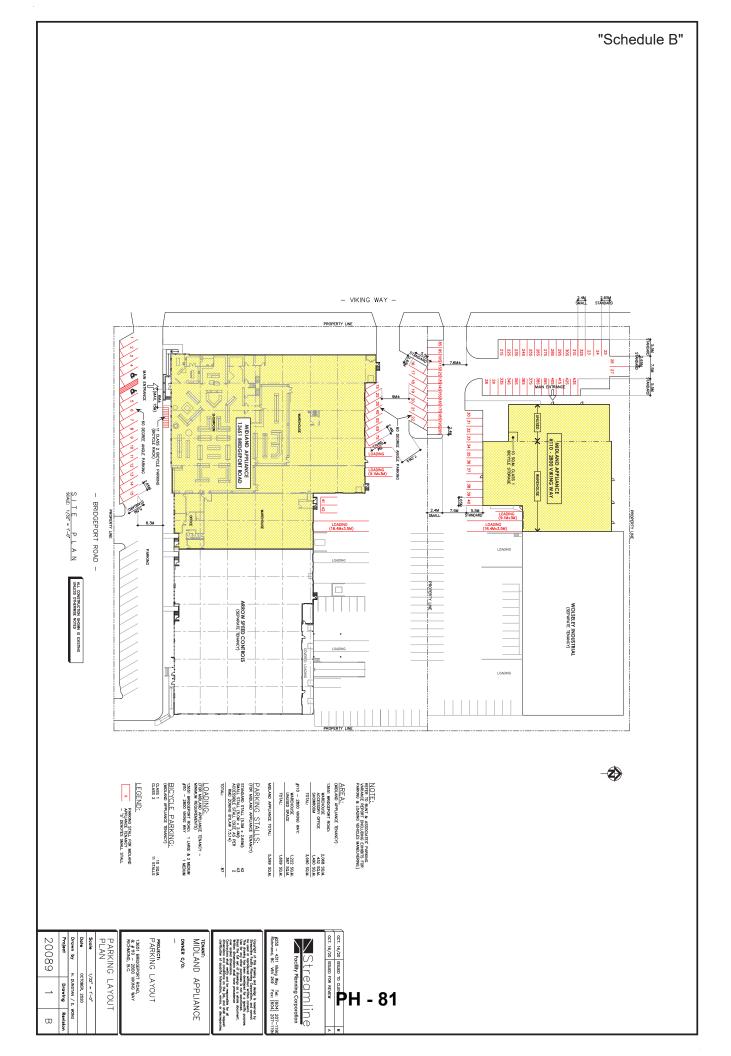
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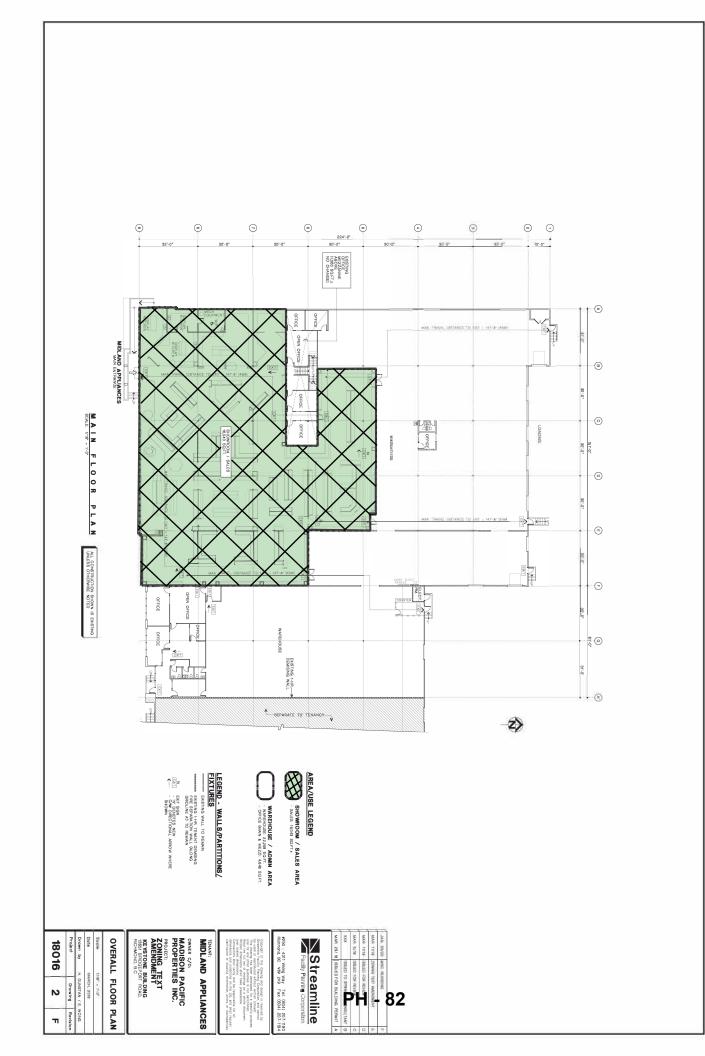
DELIVERED THIS DAY OF

MAYOR

CORPORATE OFFICER







Undertaking

In consideration of the City of Richmond issuing the Temporary Commercial Use Permit, we the undersigned hereby agree to demolish or remove any temporary buildings, structures and signs; to restore the land described in Schedule A; and to maintain and restore adjacent roads, to a condition satisfactory to the City of Richmond upon the expiration of this Permit or cessation of the permitted use, whichever is sooner.

Pooni Group by its authorized signatory

Blaire Chisholm

Minutes



Extract From: Regular Council Meeting Monday, April 8, 2024

- 1. APPLICATION BY POONI GROUP FOR A TEMPORARY COMMERCIAL USE PERMIT AT 13651 BRIDGEPORT ROAD (File Ref. No. 08-4105-20- TU 23-024083) (REDMS No. 7574005, 7603768)
 - (1) That the application by Pooni Group for a Temporary Commercial Use Permit (TU 23-024083) to allow a maximum of 1,490 m² (16,043 ft²) of floor area to be used for 'Warehouse Sales' limited to the sale of household appliances, and the provision of 87 parking spaces, at 13651 Bridgeport Road until February 28, 2027 be considered; and,
 - (2) That the application be forwarded to the May 21, 2024 Public Hearing to be held at 7:00 p.m. in the Council Chambers of Richmond City Hall.

ADOPTED ON CONSENT