

Metro Vancouver battles to preserve dwindling supply of industrial land

The fight for land along the waterfront -- once home to canneries, refineries and other industries -- is heating up across the region

BY JEFF LEE AND KELLY SINOSKI, VANCOUVER SUN MAY 17, 2011



A battle is raging over waterfront industrial land across the Lower Mainland.

Photograph by: Glenn Baglo, Vancouver Sun files

Metro Vancouver municipalities are signalling to residential developers and land speculators to keep their hands off the dwindling supply of cheap but valuable industrial land.

In the last decade, more than 1,200 hectares of job-creating industrial land have been plowed under as a result of the heated residential property market and the demand for retail properties, according to Metro Vancouver.

The fight for land along the waterfront — once home to major canneries, refineries and other industries — is heating up across the region as developers see the Fraser River and Burrard Inlet as cheaper sources of land for residential towers with a waterfront view or big box stores and casinos.

But now with a new regional growth strategy aimed at fostering more jobs closer to home,

municipalities are trying to hoard land for new businesses, particularly along the region's waterways, railways and highways.

Nowhere is that action more evident than in south Vancouver, where the city is refusing to allow residential developers access to 227 hectares (560 acres) of industrial-zoned land between the Arthur Laing and Knight Street bridges.

"We have reaffirmed the city's commitment to protect industrial land and to look at increasing job density on that land base in the years ahead," said Vancouver Mayor Gregor Robertson, who believes developers and land speculators are holding on to industrial land in the hopes of getting it rezoned to residential under friendlier administrations.

"Industrial lands are crucial for our economy and job creation. There is a need to maintain that land base and to prevent speculation that will result in turning that land into residential."

Burnaby Mayor Derek Corrigan, chairman of Metro's regional development committee, said the region's non-residential land is under attack. "Anytime a developer can get [approval] for residential ... there's huge profits to be made. It's about money. Creating jobs comes second to people making a profit off residential property."

Corrigan argues his city has striven to keep industry along the river and land along Burrard Inlet and the region needs to do more, noting "we need to have jobs in order to have a future."

"It's wrong-headed to take industrial land and build residential," he said.

The stiffening resistance comes as ParkLane Homes launched a massive new River District neighbourhood Monday in the southeast corner of Vancouver on lands once used for a major riverfront sawmill. The development, which will eventually be home to more than 15,000 people, is the last major piece of industrial land Vancouver allowed to be redeveloped for mixed commercial and residential as part of its 1990's-era East Fraser Lands strategy.

Neither Robertson nor Brent Toderian, the city's planning director, were critical of the ParkLane development, which will see the conversion of 53 hectares (130 acres) of former industrial land along the Fraser River. Instead, they said the plan will help fill out a corner of the city with new retail and commercial businesses, schools and even social housing.

But they said that kind of industrial land conversion, which began when Gordon Campbell was mayor, can't continue if the city and the region are to grow jobs.

"There's areas in the past that we determined could be let go from the industrial land supply and those areas have resulted in some very interesting and sustainable developments," said Toderian.

"But we are at a point now where the remaining land we have left is extremely strategically important."

Asked if it was a mistake for Vancouver to take the East Fraser lands out of industrial zoning, Toderian said: "I wouldn't say that, but I would say it would be a mistake to let more lands go."

The 10 per cent of Vancouver's land that remains free of residential developments, including 668 hectares (1,650 acres) of industrial-zoned land, accounts for 50 per cent of the city's jobs. The only recent adjustment Vancouver has made to that mix was to allow a small portion of industrial land around the Canada Line terminal at Marine Drive and Cambie Street to be converted to mixed use.

"I have a significant concern about additional residential along the industrial edge," Toderian said. "We did it [at] Cambie because of SkyTrain. Canada Line is a game-changer. It doesn't mean we would replicate it on the edge in the other entrances."

By 2040, the region expects to add 600,000 jobs and 550,000 new homes to accommodate another one million people.

Most of the growth will be south of the Fraser, which is also the area with most of the remaining industrial land in the region.

Coquitlam Mayor Richard Stewart argues his city has stipulated that industrial land will be used for job creation rather than for residential. The only exception is the former Fraser Mills land, which is set to become a residential development linking historic Maillardville with the river.

But while he supports the move to set aside land for jobs or economic benefits, Stewart takes umbrage with Metro's heavyweight cities like Burnaby and Vancouver dictating what his community should do. Under the regional growth strategy, cities wanting to take land out of the industrial bank have to submit to a weighted vote at the Metro board.

"These communities are now saying the region has to preserve industrial land, which is mainly in the suburbs," Stewart said. "This has to be balanced with the community's rights to decide its own destiny ... we shouldn't be saddled with the responsibility to preserve industrial [land]."

Stewart argues the land along the Fraser hasn't realized its full potential for economic purposes. And as a city in the centre of the region, he expects Coquitlam will be earmarked as one of the top markets for industrial land.

The threat to industrial land in Metro Vancouver is so severe that Port Metro Vancouver, one of the largest users of industrial land, has gone on a buying spree in recent years to protect its core container shipping business.

It already owns 1,012 hectares (2,500 acres) of industrial land but in the last two years it spent more than \$115 million to buy another 138 hectares (340 acres), including an 89-hectare (220-acre) agriculture-zoned farm in Richmond.

“Since 1977 there has been literally thousands of acres of industrial land lost to other uses,” said Tom Corsie, Port Metro Vancouver’s vice-president of real estate. “Our concern is about protecting well-located logistics-friendly transportation-oriented industrial land that will help protect our core business objectives for the long term.”

Corsie has seen prices for industrial land jump from \$100,000 an acre half a dozen years ago to as much as \$2 million an acre in North Vancouver. In Port Kells, Surrey, industrial land is now going for \$1 million an acre.

“It has become almost too expensive for me to do my job in protecting our needs by acquiring affordable land,” he said.

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