

ITEM	07
MANAGER'S REPORT #	14
COUNCIL MEETING	96/05/13

TO: CITY MANAGER 1996 MAY 06

FROM: DIRECTOR PLANNING AND BUILDING

SUBJECT: WAREHOUSE RETAILING/WHOLESALE

PURPOSE: To propose a text amendment to the Burnaby Zoning Bylaw to clarify the difference between wholesalers and retailers and ensure that such uses are located in the appropriate zoning district.

RECOMMENDATION:

1. THAT the City Solicitor be requested to prepare the necessary amending bylaw providing a definition for wholesaling and clarifying the Retail Store definition.

R E P O R T

1.0 BACKGROUND INFORMATION:

- 1.1 On 1994 May 16 Council received a report on warehouse retailing, which provided background and raised a number of concerns and issues regarding this form of development. It is considered important to re-state these concerns as they form the reason for the proposed zoning bylaw text amendment.

In terms of characterising this form of use, there are a number of different forms of warehouse retailing, such as so-called warehouse clubs, category killers, power centres and value retailers; however in general, warehouse retailers are very large retail operations, which utilize large, single-use warehouse style buildings with large surface parking areas and are generally located on the urban periphery and/or on industrial land. Warehouse retailing developments are rarely under 50,000 sq.ft. in size and warehouse clubs usually have a gross floor area of at least 100,000 sq.ft.

- 1.2 In terms of site specific impacts, the typical warehouse retail development provides significantly more parking than is generated in industrial areas and even more than is required for retail commercial uses by municipal zoning bylaws, which can result in a vast parking area surrounding these developments which is often aesthetically unattractive and constitutes a low intensity use of land. The traffic generated by such uses can also

be quite significant, especially if the surrounding road system was not designed to accommodate such intensive traffic generating land uses. In addition, the design of warehouse retail developments is often stark and lacking attention to urban design.

- 1.3 From a long term, broader planning perspective, there are larger issues to be considered. These issues include the appropriate use of the industrial land stock and the equity question of permitting retail commercial uses on industrially zoned land, where the urban infrastructure and other supporting uses and amenities may be absent. Related to this is the effect that warehouse retailing may have on a City's planned commercial areas and the residents who patronize them. In this regard, warehouse retail developments are generally not utilized by those who only ride public transit and are not easily accessible for disadvantaged consumers like the elderly and the poor.

In terms of industrial land, one of the directions relating to the industrial framework in the Burnaby Official Community Plan is: "no major additions to or deletions from the existing industrial land inventory in view of the relationship between projected demand and available supply." The establishment of warehouse retailing uses in industrial areas on a widespread basis could cause a significant deletion of valuable industrial land and deserves examination on a broad economic policy basis.

At the Council meeting on 1996 May 06, Council adopted a recommendation (Item 11, Manager's Report #13) to endorse an industrial lands review process as part of the Official Community Plan review, and to authorize staff to apply for a Provincial Community Planning Grant to conduct the review. One of the components of the proposed work is an assessment of trends and issues emerging in the GVRD, and specific reference is made to "an increasing tendency for service commercial, big box retail, and large scale recreational uses to locate on relatively lower cost industrial lands".

- 1.4 The 1994 May 16 report concluded that warehouse retailing is basically a commercial use, but it is presented in an industrial development form, therefore a number of site specific and broader planning concerns arise. At that time Council adopted the report recommendation that an amendment to the Burnaby Zoning Bylaw to regulate the establishment of warehouse retailing uses be commenced.

2.0 GENERAL DISCUSSION:

- 2.1 Since that time staff have done considerable research on the subject of warehouse retailing and reached some tentative conclusions on how warehouse retailing or "big box" proposals should be dealt with. In terms of the broader question of how warehouse retail developments could be accommodated, due to the potential demands the use places on our industrial land base, this form of development needs to be assessed through the

industrial land use review which will be conducted as part of the Official Community Plan review. In the meantime, in light of the concerns stated in Sections 1.2 and 1.3, it is useful to clarify the meaning of retailing and wholesaling operations to ensure that warehouse retailing developments do not locate on industrial zoned lands.

- 2.2 The Burnaby Zoning Bylaw currently does not have definitions for warehousing or wholesaling. The current definition for Retail Store is as follows:

"STORE, RETAIL" means a building where goods, wares, merchandise, substances, articles or things are offered or kept for sale at retail, and includes storage on or about the store premises of limited quantities of such goods, wares, merchandise, substances, articles or things, sufficient only to service such stores, but does not include any retail outlet otherwise classified or defined in this Bylaw."

The basic difference between retailers and wholesalers is that retailers sell to the public or end user of the product, while wholesalers generally sell to retailers who sell to the public or end user. It is acknowledged that wholesalers do sometimes include some retail sales and this is permitted to a limited, accessory extent, by the Bylaw. Every industrial zoning district which permits wholesale establishments also permits:

"Accessory buildings and uses, including the internal display, internal storage and internal retail sale of goods produced or stored on the premises."

The issue therefore does not relate to a small area of a wholesaling establishment providing retail sales to the public as an accessory use, but rather relates to proposed major sales floor areas in general that would be open to the public.

- 2.3 In order to address the above concerns and clarify the retailing and wholesaling uses, the following text amendments to the Burnaby Zoning Bylaw are recommended:

- a) Change the definition of Retail Store to include reference to the goods being sold to the ultimate consumer or the end user.
- b) Provide a definition for Wholesaling which describes the use as the use of land or buildings for the wholesaling of merchandise to retailers, other businesses, institutions or government agencies for their own business use or for resale.

The above definitions should provide sufficient clarification to ensure that any principal warehouse retailing developments do not locate in industrial areas under the guise of wholesaling and without the benefit of appropriate zoning.

2.4 In the meantime, any applications for a building permit for new warehouse retailing development would be referred to Council for review. Under Section 981 of the *Municipal Act* (Attachment A), when a building permit application is in conflict with a rezoning bylaw that is under preparation, Council may direct that the building permit be withheld for an initial period of 30 days. During this period, Council may withhold the permit for a further 60 days or grant the permit with conditions imposed, having regard to the bylaw that is under preparation.

3.0 CONCLUSION:

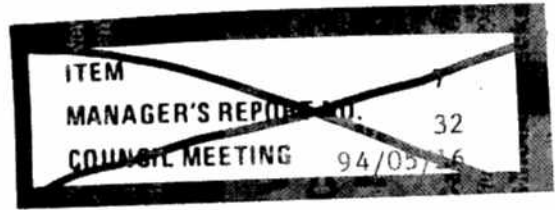
3.1 The advent of warehouse retailing developments in recent years presents a number of planning concerns and issues, such as the appropriate use of industrial land, the effect that warehouse retailing would have on planned commercial areas and site specific considerations like traffic and design. The matter of warehouse retail developments will be assessed through the industrial land use review which will form part of the Official Community Plan review. In the meantime, it is recommended that the Burnaby Zoning Bylaw be amended to clarify the Retail Store definition and to provide a definition for wholesaling.



D.G. Stenson, Director
Planning and Building

BW:gk
Attach.

cc: City Solicitor
Chief Building Inspector



MUNICIPAL ACT SECTION 981

Withholding of permits and licences

981. (1) Where a local government passes a resolution identifying what it considers to be a conflict between a development proposed in an application for a building permit and

- (a) an official community plan,
- (b) a rural land use bylaw, or
- (c) a bylaw under sections 963 to 966 or 969

that is under preparation, the local government may direct that the permit be withheld for a period of 30 days, commencing on the day the application for the permit was made.

(2) Subsection (1) does not apply unless a local government has, by resolution at least 7 days prior to the application for a building permit, commenced the preparation of a plan or bylaw that is in conflict with the application.

(3) During the 30 day period referred to in subsection (1), the local government shall consider the application for the permit and may

- (a) direct the permit be withheld for a further 60 days, or
- (b) grant the permit, but impose conditions in it that would be in the public interest, having regard to the plan or bylaw that is under preparation.

(4) If the local government does not, within the 60 day period, adopt a plan or bylaw referred to in subsection (1), the owners of the land for which a building permit was withheld under this section are entitled to compensation for damages arising from the withholding of the building permit, and Division (4) of Part 12 applies.

(5) Where the council passes a resolution under subsection (1), the council may direct that a business licence, in respect of the same land, be withheld for a period not exceeding 90 days where the council considers that the use to which the land would be put and to which the business licence application relates would be contrary to the use that would be permitted by the bylaw that is under preparation.

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