

## **Trade-enabling industrial land**

### **Frequently asked questions**

#### **What are industrial lands?**

Industrial lands are areas designated by municipalities to support select business activities, such as transportation and warehousing, wholesale and retail trade, manufacturing, as well as certain professional and technical services.

These are employment-generating lands at the heart of our regional economy. According to Metro Vancouver, about 23 per cent of our region's jobs are accommodated on industrial lands, with countless other jobs in the service sector dependent on activities occurring in these areas.

#### **What are trade-enabling industrial lands?**

Trade-enabling industrial lands are lands required to support goods movement in and out of the region, including other parts of B.C. and to and from other provinces. These are not lands filled with factories and smokestacks as you may imagine of traditional industrial activity, nor do they include local business parks. Instead, these are lands occupied by marine terminal facilities, distribution centres and warehouses.

Trade-enabling industrial lands are close to major roads and railways, and are crucial to facilitating trade in an increasingly connected and interdependent global economy. A recent Site Economics Ltd. study indicates the most significant demand for new industrial land in the region is being driven by the container logistics sector.

#### **Why is trade-enabling industrial land important?**

These lands are critical to our ability to trade and our quality of life. They support Canadian export businesses, help put groceries on our store shelves, cellphones in our pockets and furniture in our homes.

According to the B.C. government, the transportation and warehousing, wholesale and retail trade, manufacturing, natural resources and construction sectors account for 39 per cent of provincial GDP. The operations of all these sectors depend directly on a robust trade network, which is only possible with sufficient trade-enabling industrial land.

#### **How much trade-enabling industrial land do we have in Metro Vancouver?**

Several past studies examining the inventory of industrial land in Metro Vancouver offer similar conclusions – that the supply of such land, which is critical to employment and trade, is limited and insufficient to meet anticipated demand.

According to Metro Vancouver, there are 28,000 acres of industrial-zoned land in the region, with only 6,000 acres vacant. However, much of that vacant land is not suitable for the logistics industry, due to location, building restrictions, difficult topography and small parcel sizes.

A recent study completed for Port Metro Vancouver estimates the supply of vacant trade-enabling lands suitable for logistics is only roughly 1,000 acres. Based on annual average absorption rates and expected demand, this supply of trade-enabling lands will likely be exhausted within the next 10 years.

### **How much trade-enabling industrial land do we need in the region?**

Current forecasts indicate that container traffic flowing through Canada's Pacific gateway is expected to nearly double over the next 15 years. To accommodate this influx of trade, which is critical for the local and national economy, Site Economics Ltd. advises Port Metro Vancouver the region may require up to 3,440 acres of trade-enabling industrial land for logistics by 2030, over and above land required to expand marine terminal capacity.

It is also important to remember trade-enabling lands need to meet specific criteria related to location, size, topography and access to transportation infrastructure.

### **What is impacting our region's supply of trade-enabling industrial land?**

Several factors are impacting the supply of this critical land base within the region:

- *Up-zoning:* Developers and municipalities are converting these areas for commercial and residential uses. Trade-enabling industrial lands with the best locational attributes and access face significant competition from residential and commercial uses and are often targeted for rezoning or other purposes.
- *Incompatible development:* Encroaching residential development around trade-enabling lands increases congestion, constrains routine business activities, and raises the potential for conflicts with the community, such as noise disturbances.
- *Competing Industrial Uses:* Other industrial uses, such as business parks and small bay warehousing, compete for the same scarce industrial land base, driving up land values and using lands best reserved for trade-related activities.

These impacting factors do not support the long-term growth and vitality of our economy, especially in light of projected trade growth that will demand a more robust logistics sector.

### **What does a limited supply of trade-enabling industrial land mean for the region?**

The limitation or loss of trade-enabling industrial land has far-reaching implications for our region's economy, environment and livability. As trade continues to grow we risk hitting an economic brick wall.

According to Site Economics Ltd., developing 100 acres of industrial land for logistics equals approximately \$1.9 billion in direct and indirect economic value. A lack of available land puts our future employment at risk, harms our global competitiveness, challenges our ability to manage trade and can force companies to relocate.

When logistics facilities relocate farther away from key trade infrastructure, such as the port and major highways, the result is more rail and truck traffic with additional impacts on our environment and communities. It can also create inefficient supply chains with additional costs, which are often passed onto consumers, meaning the price we pay for basic goods could also increase.

### **What does a limited supply of trade-enabling industrial land mean for Canada?**

Port Metro Vancouver is Canada's largest port, and larger than the next six Canadian ports combined. As much as one in every five dollars of goods traded in Canada flow through the Vancouver port. Constraining the port's ability to grow will restrict Canada's ability to trade and will drive Canadian trade to U.S. western ports, meaning lost jobs for Canada and higher transportation costs for goods exported and imported.

### **What is our region's current approach to preserving trade-enabling industrial land?**

Currently, the only regional instrument to protect the supply of industrial land is the Metro Vancouver Regional Growth Strategy (2011). However, this strategy falls short. It has already been amended four times in a manner that reduced the amount of land designated as industrial by 167 acres. The Regional Growth Strategy reflects local interests and is governed by regional representation. As a result, the broader national perspective for ensuring a sufficient land supply to meet Canada's trade objectives may not be central to the implementation of the strategy.

Provincially, only lands designated for agricultural and highway usages are protected by legislation. Similar provincial instruments could also ensure protection of trade enabling industrial land for the future.

### **How are other cities preserving their trade-enabling industrial land?**

Several cities have taken meaningful steps to protect their trade-enabling industrial land.

Some have municipal-led initiatives involving zoning changes, such as Portland, which established Industrial Sanctuaries to encourage growth in the city, and Chicago, which created Planned Manufacturing Districts to retain jobs locally.

Others focused on improved transportation corridors and port efficiencies. Los Angeles, for instance, constructed a new corridor to improve freight movement, while Rotterdam utilized reclaimed land to expand its port's operations.

Through a mix of collaboration and legislation, cities have created land use plans intended to foster trade growth. Seattle proposed Freight Corridors to enhance the movement of goods, and San Francisco established Port Priority Use Areas reserved for regional maritime port use.

Toronto's Official Community Plan calls for the preservation of Employment Areas – lands that rely on nearby transportation infrastructure, such as ports, highways and rail

yards, to facilitate the movement of goods. Employment Areas can only be rezoned through a comprehensive municipal review.

**How can we better preserve trade-enabling industrial lands in our region?**

The provincial government has always been a strong partner in the development of the gateway. We must now come together, along with local and regional government, to protect our land in a coordinated fashion.

The first step would be to identify appropriate trade enabling industrial lands. As noted in several studies, not every parcel of land is suitable for trade and logistics-related activities, due to poor location, building restrictions, challenging topography and small parcel sizes.

The next step would involve enacting policies that establish clear provincial oversight to ensure regional districts and municipalities preserve these critical lands in their growth strategies, official community plans and zoning bylaws.

A forum for all relevant land use authorities should be established to monitor implementation of newly-created provincial policies and regulations and advise on any future adjustments.