Re: Plan Winnipeg By-law No. 135/2004: Kenaston/McGillivray Area of Regional and Mixed Use Concentration

For submission to: Executive Policy Committee

Original report signed by: Director of Planning, Property and Development

Report date: November 17, 2004

Recommendation(s):

1) That By-law No. 135/2004, a proposal to amend *Plan Winnipeg 2020 Vision* By-law No. 7630/2000 by:

    a. re-designating lands as identified on Map 1 from *Industrial Policy Area* to *Neighbourhood Policy Area*, and;

    b. expanding the *Area of Regional Commercial and Mixed-Use Concentration,* as identified on Map 1,

    be forwarded to Council for second reading.

REPORT SUMMARY

Key Issues:

- On September 29, 2004, Council gave first reading to By-law No. 135/2004 directing the Executive Policy Committee to schedule a public hearing (November 25, 2004) to consider amending Plan Winnipeg. Giving second reading to the proposed by-law will allow the proposed amendment to be forwarded to the Minister of Intergovernmental Affairs and Trade for required approval, prior to third reading and final approval at Council.
- The Planning, Property and Development Department support the Plan Winnipeg amendment that will re-designate the land from Industrial Policy Area to Neighbourhood Policy Area. The loss of 63 acres of industrial land will not have a negative impact on the industrial land supply in relation to demand in the southwest quadrant of the City.
- Also, a change in designation would facilitate the continuation of a more compact urban form, as the existing vacant lands within the subject area are "infilled" with new development that can be serviced with existing public infrastructure.
- The Planning, Property and Development Department also supports the component of the amendment that will expand the Kenaston/McGillivray Boulevard Area of Regional Commercial and Mixed Use Concentration to include the triangular area shown on Map 1.

- The Department feels that the expansion represents a reasonable and logical extension of commercial uses. Expansion of the Area of Regional Commercial and Mixed-use Concentration would allow for the growth and intensification of regional scale commercial uses at this location to meet the growing consumer retail demand in the southwest. The establishment of regional scale commercial and retail uses on the subject lands is compatible with the existing surrounding pattern of development and land uses.
- With improvements, the surrounding road infrastructure has the capacity to service additional commercial development. The direct costs associated with upgrading surrounding road infrastructure will be contributed to by the proponents of commercial development.

Implications of the Recommendation(s):

General implications:

	None
X	**For the organization overall and/or for other departments**
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

- Including the lands within the area of Regional Commercial and Mixed-Use Concentration will allow for the consideration of commercial development to meet growing consumer retail demand in the City's southwest.

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

-

REASON FOR THE REPORT:

Pursuant to the City of Winnipeg Charter, Executive Policy Committee is the designated hearing body responsible for Plan Winnipeg.

BACKGROUND:

In 1998, several applications to amend the previous version of Plan Winnipeg were approved to re-designate industrial lands east of Kenaston Boulevard both north and south of McGillivray resulting in the creation of over 130 acres of land for commercial purposes.

The existing area of Regional Commercial and Mixed-Use Concentration as shown on Map 1 was designated in 2001 in Plan Winnipeg in recognition of this regionally significant concentration of commercial development that was emerging adjacent to the east of Kenaston Boulevard around the McGillivray Boulevard intersection.

Plan Winnipeg 2020 Vision identifies "Regional Commercial Concentrations" as:

"..the general desired locations for large scale commercial development attracting customers city-wide and beyond, with the intent to direct future development of that nature to those general locations."

With the ongoing development of residential neighbourhoods in the southwest quadrant of the City, subsequent commercial and retail development has intensified within the existing boundaries of this Area of Regional Commercial and Mixed-Use Concentration. The intensification has occurred in response to the increasing retail demands of the growing population and as a result, much of this area has now been developed for commercial uses.

As the commercial land in the area depleted, the continuing demand for new commercial/retail space resulted in the establishment of additional commercial developments (Sobeys and associated developments) to the west at the northwest corner of McGillivray Boulevard and Kenaston Boulevard. This represents a migration of regionally significant commercial development outside the existing Area of Regional Commercial and Mixed-Use Concentration to lands that are currently designated as Industrial Policy Area in Plan Winnipeg.

In the fall of 2003, Hopewell Development Corporation, a major developer of large scale commercial projects, indicated an intent to pursue the development of approximately 35 acres of land to the west of the existing Sobeys site for a series of regional commercial/retail developments. The proposed development site comprises the majority of approximately 63 acres of a triangular area of land, including the Sobeys site, bounded by Kenaston Boulevard to the east, McGillivray Boulevard to the south and the CPR La Riviere industrial subdivision to the northwest.

DISCUSSION:

With the pioneering development of commercial uses at the northwest corner of Kenaston and McGillivray combined with the continued pressure for further large scale commercial development, it has become apparent that the existing Area of Regional Commercial and Mixed-Use Concentration may no longer be adequate to meet the demand for new retail/commercial space to service this sector of the City.

Consequently, the Department initiated a process to comprehensively review the appropriateness of expanding the Area of Regional Commercial and Mixed-Use Concentration to encompass the entire 63 acre triangular area to the west of Kenaston Boulevard.

A working group consisting of representatives from Hopewell Development Corporation, Province of Manitoba Intergovernmental Affairs and Trade, Planning, Property and Development Department staff and Public Works Department staff conducted the review with the assistance of outside consultants.

The review process included an analysis of the following issues:

- Industrial Land Supply
- Land Use Context
- Regional Commercial Retail Demand
- Traffic and Infrastructure Impacts
- Cost Benefit Analysis

The results of this review indicated that a Plan Winnipeg Amendment was warranted. The subsequent application was initiated by the Department of Planning, Property and Development since the triangular area is comprised of a number of separate parcels under different ownership.

Industrial Land Supply

The 63 acre area proposed for inclusion within the area of Regional Commercial and Mixed-use Concentration is currently designated Industrial Policy Area under Plan Winnipeg and is also zoned for industrial land uses. With the exception of the existing Sobeys commercial site and a few businesses scattered along McGillivray Boulevard, the area contains mostly vacant and underutilized lands.

Re-designation of the subject lands to Neighbourhood Policy Area to accommodate the expansion of the adjacent Area of Regional Commercial and Mixed-use Concentration would result in the potential removal of 63 acres of land from the existing inventory of land available for industrial use.

An industrial land inventory and market review was conducted by the City of Winnipeg in 2002 and identified an overall surplus of industrial land throughout the City with approximately 990 acres of vacant industrial land within the southwest quadrant of the City.

Removal of the subject lands from this inventory would not impede the demand for additional industrial development in the southwest quadrant as there would continue to be an ongoing surplus of industrial land available in the Tuxedo industrial area to the northwest and elsewhere.

Land Use Context

The area surrounding the subject site is dominated by existing commercial and retail development with heavy industrial uses occurring to the west. The residential community of Whyte Ridge is located to the south across McGillivray Boulevard.

The intersection of Kenaston Boulevard and McGillivray Boulevard is a major crossroads with regional significance that has provided an attractive location for the development of large scale commercial uses that rely upon direct access to major transportation corridors. The Kenaston McGillivray intersection is strategically located within the southwest quadrant of the City and functions as a focal point for the concentration of regionally significant commercial uses.

The establishment of regional scale commercial and retail uses on the subject lands represents the logical extension of the existing pattern of development within the Area of Regional Commercial and Mixed-Use Concentration to the east of Kenaston Boulevard. These uses are compatible with adjacent uses and would provide a transitional buffer to heavier industrial development to the west.

This would also facilitate the continuation of a more compact urban form as the existing vacant lands within the subject area are "infilled" with new development that can be serviced with existing public infrastructure.

Regional Commercial Retail Demand

An analysis of various socio-economic variables that drive retail consumer demand was undertaken for the southwest quadrant of the City and included the following:

- Employment growth
- Household formation
- Retail vacancy
- Personal incomes
- New home construction

The results of this analysis indicated that existing commercial retail trends, population and household growth and demographics in the southwest suggest that this quadrant of the City will be underserved by the existing level of regional scale commercial retail development.

Expansion of the Area of Regional Commercial and Mixed-use Concentration would allow for the growth and intensification of regional scale commercial uses at this location to meet the growing consumer retail demand in the southwest. By planning for this demand now, existing and future residents in surrounding communities will have convenient access to the goods and

services required on a daily basis thereby reducing the need for additional automobile use they would otherwise need to travel to similar commercial facilities in other quadrants of the City.

Traffic and Infrastructure Impacts

Primary access to the subject lands is proposed via the existing Lindenwoods Drive intersection on Kenaston Boulevard with a secondary access point onto McGillivray Boulevard in the southwest corner of the site directly into the Hopewell lands. The extension of Columbia Drive north will provide alternate access to McGillivray Boulevard in the future pending the acquisition of intervening lands.

Stantec Consulting Ltd. analyzed the impacts upon traffic and intersection performance on adjacent roadways resulting from the addition of 63 acres of commercial lands at the intersection of Kenaston and McGillivray in consultation with the City of Winnipeg Public Works Department.

It was concluded that with a series of improvements to the surrounding road network, there would be sufficient capacity to manage additional vehicle activity for at least the next 10 years. Hopewell Development Corporation, as the major landowner within the proposed expansion area, would contribute the majority of the estimated costs associated with these improvements that include:

- Kenaston Pavement for an additional lane. - $211,200.00
- Intersection Improvements and Signals at Kenaston/Lindenwoods Drive. - $360,000.00
- McGillivray Pavement. - $285,000.00
- McGillivray and Columbia Drive Intersection Improvements. - $237,000.00
- Contributions to Kenaston and McGillivray Intersection Improvements. - $100,000.00

Fiscal Impacts

Existing services are located adjacent to the subject lands and have sufficient capacity to service the expanded area of Regional Commercial and Mixed-Use Concentration. A central land drainage retention facility will be provided on the Hopewell lands.

Additional direct capital or maintenance costs for the City are negligible as all site services are internal to the commercial development site and will be provided at the expense of the developer.

Projected property tax revenue will be in the range of $3.00 to $5.00 per square foot of retail floor area based upon current tax rates at other major commercial centers in the City. With a projected total floor area of 350,000 square feet at build out, this would produce approximately $1,050,000 to $1,750,000 per year of additional property tax revenue.

CONCLUSION:

The expansion of the Kenaston/McGillivray Boulevard Area of Regional Commercial and Mixed Use Concentration to include the triangular area shown on Map 1 represents a reasonable and logical extension of commercial uses.

It should also be noted that approval of a change in designation to Neighbourhood Policy area and the inclusion of the subject lands into an Area of Regional Commercial and Mixed Use Concentration pursuant to Plan Winnipeg does not constitute an approval of a change of zoning or any individual development. The change in Plan Winnipeg designations only allows for the submission of development and re-zoning applications to be considered and judged on their own merits at hearings before the Community Committee and subject to the approval of Council.

Financial Impact Statement Date: November 12, 2004

COMMENTS:

The recommendations contained within this report, if adopted, would result in a new by-law to redesignate the subject lands from Industrial Policy Area to Neighbourhood Policy Area and the expansion of the Area of Regional Commercial and Mixed-Use Concentration, as identified on Map 1. Giving second reading to the proposed by-law will allow the proposed amendment to be forwarded to the Minister of Intergovernmental Affairs and Trade for required approval, prior to third reading and final approval at Council. There are no financial implications associated with the recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Public Works Department

Water and Waste Department

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Planning and Land Use Division
Prepared by: Martin Grady
PPD File #: PW02/04

Attachments:

1: Map 1 – Proposed re-designation of Industrial Policy Area to Neighbourhood Policy Area and Expansion of the Area of Regional Commercial and Mixed Use Concentration.

O:\Reports Directive\Planning and Land Use\Urban Planning Reports\2004 Reports\PlanWinnipeg\RIS Kenaston McGillivraySecondReading.doc

Map 1:

Proposed Re-designation of Industrial Lands to Neighbourhood Policy Area and Expansion of the Area of Regional Commercial and Mixed-Use Concentration

