

Housing puts the squeeze on Metro industrial land

As municipalities rezone for denser town centres, residential developers are swarming in

Tucked away in a tiny alley in the heart of Burnaby's Brentwood Town Centre, behind a short strip of tire and service shops, Arc Automotive looks small and forlorn, its shop dwarfed by a series of Solo residential towers being built a block away.



RIC ERNST/PNG Despite strong demand for residential growth, Coun. Sav Dhaliwal says Burnaby is 'not going to go outside' boundaries established for developing Brentwood Town Centre.

The towers reach high into the sky, setting the stage for a new residential community that will one day transform the area from a gritty blue-collar enclave into a bright, modern urban core.

When they're completed, some 1,400 residents will live there. And one day, Arc, which just signed a four-year lease — as well as the nearby Midas Auto and even the massive Carter car dealership, squatting over two blocks at Willingdon and Lougheed — likely won't be as welcome anymore.

That's because Burnaby's Brentwood Town Centre plan suggests a substantial proportion of industrially designated land, some of it there for decades, will eventually be phased out.

“With that big development beside us, I’ve always been a little worried,” said Kevin Goldsbury, who leases the Burnaby Midas shop at Dawson and Willingdon.

“I don’t want to always be kicked out of everywhere.”

A shift from industrial to residential is nothing new. It has happened before, in Vancouver’s Granville South, False Creek and Marine Drive, North Vancouver’s Lynn Valley and Lonsdale, and in parts of Burnaby, Richmond, New Westminster, Surrey and the Tri-Cities.

As Metro municipalities rezone land for denser town centres, developers are swarming in, nudging out auto mechanics, sausage makers, gas stations and car dealerships for towers to fill with people, shops and services — and to line their pockets.

Last year, European Sausage in Burnaby shuttered its business, following a failed court battle, after its joint property owners sold their share of the land to developers for a residential tower at Gilmore and Lougheed. In Richmond, the area around the Oval has been reconfigured for waterfront condos, while some light industrial users on Mountain Highway in North Vancouver are prepping to move following a development application on land across from Seyllynn Park.

And even if they aren’t forced to leave, light industrial businesses have other problems: they must pay not only for higher leases, but the property taxes and maintenance as well.

“They are facing pressures,” Burnaby Coun. Sav Dhaliwal said. “From our perspective, we are trying to encourage development in the town centres so we can accommodate the growth, but at the same time we’re not pushing so hard ... we do not send signals to dealerships saying: ‘When are you moving?’”

“We’re trying to accommodate them because we recognize how important their economic contribution is to the city.”

City officials argue they have no choice as they prepare to welcome a million more people within 30 years. Most maintain they save sections of industrial land as economic zones elsewhere, or help to relocate large companies.

Mayors in Coquitlam and Port Coquitlam defended their decisions to allow mixed use on Fraser Mills and Dominion Triangle sites respectively, because they negotiated to keep a portion of it light industrial.

But it’s a balancing act, North Vancouver district Coun. Roger Bassam admits, especially as residential creeps deeper beyond old industrial borders. A condo development on North Shore’s Harbourside Waterfront, which will see 800 units sandwiched amid an auto mall and shipyards, is “a recipe for disaster,” he said.

“When you put heavy industrial bases around residential, the people always complain about noise and pollution and we shut down the industry,” Bassam said. “Regionally it’s a huge problem. We don’t have enough light and heavy industrial space for the growth that we want.”

Vancouver, which rapidly developed its industrial land before realizing it should preserve it, has since set aside industrial areas in False Creek Flats, Mount Pleasant and Marine Drive that can't be touched without a two-thirds vote of support from Metro Vancouver.

Dhaliwal said his city plans to keep portions of Still Creek and Norland industrial, and "we're not going to go outside those boundaries" of the Brentwood Town Centre. In Lower Lynn Valley, a stretch of Mountain Highway will remain industrial.

But critics worry Metro municipalities may come under pressure, especially as land values explode. As property taxes double for light industrial land in core areas, small businesses are being forced out, said Paul Sullivan, a property tax agent who specializes in tax appeals.

Vancouver has only about 10 per cent of its land reserved for other than residential use, but that land supports 50 per cent of the city's economic engine, said Kevin McNaney, the city's assistant director of planning. He estimates the city has enough industrial land for the next 30 years, while False Creek Flats will provide room to grow.

"A lot of our wonderful neighbourhoods were built up from industrial land, but it's important to protect job space," McNaney said. "Fundamentally, a livable city includes a place to grow the economy and grow jobs."

North Vancouver district Coun. Lisa Muri argues it's important to keep light industrial businesses, such as marine or auto shops.

"When you move them out you'll lose those jobs," she said. "We have to take a very close look at what's going on in the Lower Mainland. Developers are looking at anything they can get their hands on. You start picking at every little piece, and what's left?"