

TO: PLANNING AND DEVELOPMENT COMMITTEE

FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT

SUBJECT: OFFICIAL COMMUNITY PLAN – ECONOMIC DEVELOPMENT AND INDUSTRIAL LANDS – EMPLOYMENT LANDS NEEDS ASSESSMENT

PURPOSE: To convey the key findings from the Official Community Plan (OCP) Employment Lands Needs Assessment, including the attached “Burnaby Employment Land Needs Assessment: What We Heard Report”.

RECOMMENDATION

THAT the report titled “Official Community Plan Economic Development and Industrial Lands – Employment Lands Needs Assessment” dated June 25, 2024, be received for information.

EXECUTIVE SUMMARY

This report highlights the key findings of the Employment Lands Needs Assessment (Needs Assessment) as part of the Official Community Plan (OCP) Economic Development & Industrial Lands Policy Review. The Needs Assessment included targeted interviews, an inventory of existing employment space and the development of employment demand projections. The Needs Assessment found that by 2050 the City is expected to need 26% more employment space (~22 million sq. ft) over the current inventory, of which the highest demand will likely be in industrial, office and commercial uses. This research was utilized by staff to draft strategic Policy Directions which were then brought to the community during Phase 3 of Burnaby 2050 public engagement.

1.0 POLICY SECTION

The Employment Lands Needs Assessment aligns with the following:

- Section 473(1)(b) of the Local Government Act
- Goal 2 and strategies 2.1 and 2.2 of Metro 2050: Regional Growth Strategy

Council-adopted policies:

- *Official Community Plan (1998)*;
- *Economic Development Strategy (2007)*; and
- *Corporate Strategic Plan (2021)*.

2.0 BACKGROUND

On November 20, 2023 Council received a report titled “OCP Policy Development Approach – Policy Reviews And Growth Modelling”, which details the policy development process proposed for the new Official Community Plan to be achieved through 13 “Policy Review” projects.

In Fall of 2023, the City secured Urban Systems to support an Employment Land Needs Assessment as part of the OCP Economic Development and Industrial Lands Policy Review. The Needs Assessment consisted of two research tasks:

- 1) targeted outreach with experts on local employment conditions, and
- 2) projected employment growth and floor area demand.

This report summarizes the key findings of this research.

3.0 EMPLOYMENT LAND NEEDS ASSESSMENT

Employment lands are a crucial component for Burnaby’s economic development and land use framework, as they provide local employment opportunities and accommodate economic activities. For the purposes of the Needs Assessment, the term “employment lands” refers to lands that are dominantly used for employment and economic activities and are designated for agricultural, industrial, office, commercial and institutional uses (Refer to Attachment 1 for definitions).

The objectives of the Needs Assessment were to:

- Create an inventory of the existing built employment space on a parcel and neighbourhood basis, broken out by land use category;
- Estimate the anticipated employment growth by 2050 broken out by land use category and geographic location; and
- Estimate the anticipated amount of built employment area needed by 2050, broken out by land use category and geographic location.

The Needs Assessment was scoped to inform the development of Burnaby 2050. By estimating the amount of additional employment area needed in the City by 2050, the OCP can begin to identify where to direct employment lands moving forward and how to best protect or enhance existing employment space. The findings from the targeted outreach and projected employment growth and floor area demand also helped inform the draft Policy Directions developed for the OCP.

3.1 Methodology

3.1.1 Targeted Outreach

Between December 6, 2023, and January 12, 2024, targeted outreach with major employers, property owners, and development companies operating in Burnaby was conducted. A total of 21 organizations were invited to participate in virtual interviews. The intent of the outreach was for organizations to identify

employment trends and barriers to development and/or redevelopment, and to recommend strategies for Burnaby to remain competitive.

3.1.2 Employment Growth Projections

As a foundation for the Needs Assessment, a floor space inventory was developed to better understand the existing estimated built area, represented in terms of Gross Floor Area (GFA and broken out by employment land use classes (agricultural, office, commercial, institutional, and industrial).

To estimate the existing built area, 19 sub-areas of Burnaby were identified (Refer to Attachment 4). The proposed sub-areas do not cover the entire city, but captured the majority of employers and businesses in Burnaby as employment uses are generally concentrated in a select number of business centres, industrial areas, and mixed-use areas with access to major transportation infrastructure.

The next step in the analysis involved incorporating local employment data to understand the relationship between jobs and employment lands, enabling an estimation of the average amount of floor area currently needed for workers in different employment land use classes. Once these steps were completed, employment growth projections were prepared and an estimate of the anticipated floor area demand to 2051 was established.

It is important to recognize preparing an analysis of employment and space use at a local level presented several challenges associated with data collection and comparability. Data limitations for this project include: the impact of the COVID Pandemic on the 2021 Census, limited responses to the National Household Survey and limitations of data platforms used to calculate floor area estimates. Complementing the quantitative analysis with the qualitative interviews conducted as part of the targeted outreach helped to mitigate the limitations of the data.

3.2 Key Findings

3.2.1 Targeted Outreach – What We Heard Report

The purpose of the interviews was to obtain additional market-specific commentary on employment trends, needs, and challenges, to further inform employment implications for the City of Burnaby. The information collected through the outreach process has been reviewed by staff and was used as an input for the Policy Review process.

A total of 11 organizations were interviewed as part of the targeted outreach and included representatives from the industrial, commercial, healthcare, education, technology, development, and construction sectors. Table 1 provides a high-level summary of what interviewees identified as Burnaby’s advantages and challenges in terms of employment and economic development.

Table 1: Burnaby’s Advantages and Challenges from the Targeted Outreach “What We Heard Report”

<p>Burnaby’s Competitive Advantages</p>	<ul style="list-style-type: none"> • Burnaby’s central location and proximity to both Vancouver and the Fraser Valley reduces commute times. • Easily accessible transit system and good highway connectivity. • Quality supply of industrial and employment lands with lower land values than Vancouver. • Burnaby has a large and diverse skilled workforce that stems from the city’s growing population. • Multiple reputable post-secondary institutions are an attractive learning hub and centre for innovation and provide an educated, skilled, and trained labour force. • High concentration of amenities in Burnaby’s Town Centres.
<p>Burnaby’s Existing Challenges</p>	<ul style="list-style-type: none"> • Complex and lengthy development processes. • Rents and lease rates are too high for many small businesses. • Burnaby needs more affordable housing options for their employees to attract and retain skilled labour. This would help Burnaby compete with municipalities further east where housing costs for employees are lower. • Infrastructure related to transit service, walkability and sustainability needs to be improved in some parts of the city.

Participants provided insights into emerging market and development trends in employment land uses they anticipated over the next 25 years. A few of these included:

- Continued demand for industrial lands but a decrease in single use industrial areas. This may lead to demand for smaller parcels and spaces for all industrial and employment land uses.
- Growing demand for on-site amenities (e.g., childcare, restaurants, cafes) in industrial areas and mixed-commercial developments.
- More efficient use of industrial land through the inclusion of office, retail and mixed-commercial uses on upper floors.

3.2.2 Employment Growth Projections

The results of the Needs Assessment 3.1.2 Employment growth projections provided the following insights (Refer to Attachment 2 – Tables 1, 2, 3 and 4, and Graphs 1 and 2, and Attachment 5):

- Currently, Burnaby has approximately 83 million sq. ft. of built employment total gross floor area (GFA) and approximately 103,500 jobs as per the 2021 Census.
- Of the employment land use classes, the majority of Burnaby’s employment lands are industrial (49% or ~40,700,000 sq. ft.). Further, industrial uses facilitated the highest number of jobs (almost 37,000) compared to the other employment land use classes as of 2021.
- Overall, the number of jobs located on employment lands is projected to increase by ~72,000 (+70% net employment change) between 2021 and 2051.
- Work From Home employment is projected to decline by ~ 21,000 jobs (-57%) by 2051 from the pandemic peak of ~36,500 jobs.
- The net job growth for the city between 2021 and 2051 is estimated to be ~51,700 (additional jobs over 2021 numbers). This is generally consistent with the employment growth projections in Metro 2050.
- Office and commercial uses combined are projected to have the highest employment demand over the next 25 years (~43,000 additional jobs).
- In total, a demand for ~22 million sq. ft of net additional employment space is projected citywide across all employment land use classes between 2021 and 2051, representing an average 26% increase in demand over the current inventory.
- Industrial uses currently have the highest built gross floor area compared to other land uses and are projected to demand an additional ~8 million sq. ft. (average net growth) of floor area in the next 25 years.
- Agricultural lands are projected to have the lowest total floor area demand compared to other employment land uses, with a projected average net increase of ~230,000 sq. ft in the next 25 years.
- Combined, office and commercial uses are forecasted to demand an additional ~7.5 million sq. ft. of floor area by 2051.
- Required floor area (sq. ft) per worker is anticipated to decrease by 2051 for most employment land classes, which may result in a higher density of employees per sq. ft.

*Numbers presented throughout this document have been rounded and may not add up precisely to the totals and percentages provided.

3.3 Implications for Burnaby 2050 and Next Steps

Results of the Employment Needs Assessment were used to assist with the drafting of Policy Directions for the Economic Development and Industrial Lands Policy Review. The draft Policy Directions were brought forward for public engagement in Spring 2024. Quantitative results related to employment land demand will help inform the draft OCP Land Use Framework, which will be forwarded for Council and Public input later this year.

Preliminary review of the above findings suggests that:

- Demand for employment land is growing across all land use classes, except for working from home where the baseline year of 2021 creates a data anomaly due to the COVID 19 pandemic.
- Existing employment lands in Burnaby should be protected and enhanced.
- Approximately 26% additional employment space will be needed citywide to meet projected demand by 2051.
- In particular, industrial, office, and commercial space should be prioritized to meet forecasted demand.
- Consideration should be given to the City’s identified strategic advantages and challenges to identify actions the City can take to foster job creation and a healthy local economy.

Findings from this study should be considered an early first step towards the City’s broader economic development objectives. Ongoing data gathering and analysis, policy development, strategic planning, and stronger relations with local business experts will help ensure the City remains an attractive place to work, do business, or locate an organization or non-profit.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Staff engaged with key community partners including Metro Vancouver Regional District and the Burnaby Board of Trade on the scoping of this project. Experts on the local employment and development sector were engaged through the targeted outreach. This report and attachments will be posted on the City’s website.

5.0 FINANCIAL CONSIDERATIONS

The City of Burnaby engaged consultants to assist with the economic development and industrial lands policy review. All costs are covered by the approved OCP Budget.

Respectfully submitted,
E.W. Kozak, General Manager Planning and Development

ATTACHMENTS

- Attachment 1 – Definitions
- Attachment 2 – Key Findings, S.3.2.2 Employment growth projections: Tables and Graphs
- Attachment 3 - Burnaby Employment Land Needs Assessment: What We Heard Report (January 2024)
- Attachment 4 –Employment Land Needs Assessment: Burnaby Key Employment Sub-areas Map
- Attachment 5 – Summary tables outlining the net projected average employment growth and floor area demand (sq. ft) by 2051 broken down by sub-area and land use class.

REPORT CONTRIBUTORS

This report was prepared by Danais Ponce, Planner 2 and Chun Nam Law, Planner 2 and reviewed by Erin Rennie, Planner 3, Johannes Schumann, Director Community Planning and Lee-Ann Garnett, Deputy General Manager of Planning and Development.