Proposed Zoning Bylaw Amendments – Downtown Zoning Review

APPLICATION SUMMARY

The Downtown Zoning Review is being undertaken to align <u>Bylaw 9990, Zoning Bylaw,</u> <u>2024</u> with strategic directions for the Downtown, including from the recently approved City Centre & District Plan. The proposed amendments reflect current building practices, emphasize flexibility and encourage development, while ensuring a high-quality built environment.

RECOMMENDATION

That at the time of the Public Hearing, City Council consider Administration's recommendation that the proposed amendments to Bylaw No. 9990, Zoning Bylaw, 2024, to the B6, MX2 and M4 Districts, as outlined in this report from the Community Services Division, dated May 27, 2025, be approved.

BACKGROUND

The Downtown Zoning Review addresses prior direction from City Council and recommendations from the <u>City Centre & District Plan</u> to provide a comprehensive set of changes to zoning regulations in the Downtown.

City Council, at its Regular Business <u>meeting</u> held on February 26, 2018, considered a report outlining a number of initiatives to encourage Downtown development and resolved, in part:

"That the Planning and Development Division review the zoning conditions for the B6 District and report back to the Planning, Development and Community Services Committee."

The Standing Policy Committee on Planning, Development and Community Services, at its <u>meeting</u> held on_February 8, 2023, received a report from Administration outlining a scope of work and key topic areas for review concerning the B6 - Downtown Commercial District (B6 District) and Downtown surface parking.

The Comprehensive Zoning Bylaw Review Project, underway from 2019 to 2024, made minor zoning amendments affecting the Downtown.

City Council, at its Regular Business <u>meeting</u> held on September 25, 2024, approved the City Centre & District Plan. It included several recommendations with respect to Downtown zoning:

"Action 3.2c Amend Downtown zoning districts to encourage midrise development and reflect modern building practices.

Action 4.3b	Prohibit the development of new single-purpose surface parking lots in strategic pedestrian focused locations in the Downtown.
Action 5.1b	Amend and introduce height bonus provisions to Downtown zoning districts in exchange for public benefits.
Action 5.1c	Amend Downtown zoning districts to introduce a new regulatory approach to single-purpose surface parking lots to encourage further development."

City Council, at its Public Hearing <u>meeting</u> held on April 23, 2025, approved a series of amendments to <u>Bylaw No. 9700</u>, <u>Official Community Plan Bylaw</u>, 2020 (OCP) and a corresponding amendment to Bylaw No. 9990, Zoning Bylaw, 2024 (Zoning Bylaw), in order to align Downtown policies with the new City Centre & District Plan.

DISCUSSION

Downtown includes five zoning districts, the B3 - Medium Density Arterial Commercial District, B6 - Downtown Commercial District, M4 - Core Area Institutional Service District, MX2 - Downtown Warehouse Mixed-Use District and DCD1 - Direct Control District 1 (see Appendix 1). Except for the B3 District along Idylwyld Drive, these zoning districts are generally permissive, flexible and high-density zones that accommodate a broad range of land uses and building forms. These characteristics are an asset to accommodating new development in line with the established vision for the Downtown.

Downtown development is a significant priority of the City's policy and planning framework, with several key initiatives and investments underway to build a thriving and livable Downtown that meets community expectations. The development regulations established through the Zoning Bylaw have a role to play in unlocking Downtown's potential and supporting transformative growth.

The primary objective of the review was to identify amendments that reflect current building practices, emphasize flexibility and encourage development. However, such changes must be balanced with the need to ensure a high-quality built environment in the Downtown through appropriate land use regulation and development standards. In this respect, the proposed amendments seek to achieve increased development opportunity alongside improved development outcomes.

The proposed Zoning Bylaw amendments outlined in this report pertain to:

- 1. B6 District
- 2. MX2 District;
- 3. Density bonus provisions for B6 and MX2 Districts; and
- 4. Surface parking regulations for B6 and MX2 Districts, as well as the M4 District.

1. <u>Amendments to the B6 District</u>

The B6 District is the primary Downtown zoning district, encompassing most of its land area. Proposed amendments increase development opportunity by raising developable density, adding flexibility to development standards and aligning standards for high-quality development outcomes (see Appendix 2). This includes changes to existing regulations and the addition of new regulations. Amendments are grouped into three topic areas:

A. Density, Height, and Form

While the B6 District is intended for high-density development, it is important that the built environment is compatible with the human scale. Regulations for the size, shape and placement of buildings can help create a comfortable urban environment for people and provide visual interest at street level and in the broader cityscape:

Amended or New Regulations		Existing Regulations to be Maintained
a.	Increase building height and density allowances (see Open Volume below).	a. Stepback to be provided on buildings higher than 25 metres.
b.	Simplify residential setbacks and align them with other high-density zones.	 b. Wind mitigation study for buildings higher than 15 metres.
c.	Adjust the requirement to divide building façades into distinct components of a base, middle and top.	
d.	Require screening of rooftop mechanical equipment.	

Open Volume

In the B6 District, the height and massing of buildings and the density allowed on a site are controlled through regulations based on a concept known as open volume (see Appendix 3). Open volume refers to three-dimensional open space provided on a site that is not occupied by a building. The regulations follow a principle that the larger the site and the more open volume provided on the site, the taller a building can be. This is intended to achieve variation in the built form and offer relief from a building's scale and massing.

Open volume is a unique approach that has not been comprehensively reviewed since its introduction in the 1970s. While it provides design flexibility compared to common approaches to regulating massing and density, its current composition has a restrictive effect on small- and medium-sized sites and mid-rise building forms. Its limitations no longer align with density expectations in a modern downtown, nor does it match OCP policy that the highest development densities will be facilitated in the Downtown.

Proposed amendments will raise the threshold for when open volume applies, ensuring that a building of at least six storeys can be built on any site in the B6 District (see Appendix 3). This will increase development rights overall, but especially for small- and medium-sized sites. To assess the impacts to the development potential of existing Downtown sites, Administration commissioned architectural modelling scenarios (see Appendix 4).

The open volume regulations include an overall building height maximum of 76 metres. Bonusing beyond this height is currently enabled through density bonus provisions which are discussed later in this report. Changes are proposed to allow bonusing to exceed any building height permitted by the open volume regulations, not only in cases where it would exceed the 76-metre maximum.

B. <u>Street Interface</u>

People experience the Downtown at street level, so a positive interaction between buildings and their surroundings is crucial to a vibrant, inviting and pedestrian-oriented environment. Regulations respecting ground floor façades, storefronts and the use of open space on a site contribute to a dynamic urban environment:

Amended or New Regulations	Existing Regulations to be Maintained
a. Adjust requirements for ground floor active uses.	a. Open space between a building and street to be used for pedestrian-friendly
b. Add flexibility for transparent openings.	purposes.
 Add flexibility for corner setback triangles and expand where it applies. 	b. Architectural screening of above-ground parking structures and
 Require a public building entrance on each street-facing façade. 	ground floor active use requirement.
 Break up long ground floor façades with architectural features. 	
 Allow multiple principal buildings on a site, provided the layout is integrated and prioritizes pedestrians. 	
 g. Prohibit drive-throughs to support a pedestrian-oriented environment. 	
h. Add flexibility for loading spaces on constrained sites.	

C. Adaptive Reuse

Adaptive reuse is the conversion of an existing building into new uses, such as turning an office building into residential use. Ensuring buildings can transition to productive new uses as they age or as the economy changes helps preserve existing building stock, including those with heritage value. In the B6 District, buildings can already change use without significant zoning barriers. However, considering the enduring commercial vacancies in the Downtown, improvements to the regulations have been identified:

- a. Allow more small-scale, artisan and food processing and manufacturing to support productive use of existing commercial spaces.
- b. Exempt the conversion of older non-residential buildings to residential uses from setback requirements. This currently must be resolved through a development appeal.

2. <u>Amendments to the MX2 District</u>

The MX2 District encompasses the northwest area of Downtown known as the Warehouse District. Since its adoption in 2003, this zone has allowed for incremental transition from light industrial land use to mixed-use, including residential. Given the unique character of its distinct built form and street layout, as well as its proximity to the proposed <u>Downtown Event & Entertainment District</u> (DEED), the area has potential to continue to evolve into a vibrant, mixed-use area with an emphasis on residential. Amendments are proposed to support this evolution (see Appendix 5):

- a. Add a maximum building height of 27 metres to accommodate mid-rise intensification in a manner consistent with the character of the area.
- b. Enable density bonuses that allow additional height beyond 27 metres in exchange for community benefits.
- c. Move day care centres, preschools, commercial schools and independent schools from discretionary to permitted as they are community-oriented uses that serve a residential population and are appropriate in the Downtown.
- d. Prohibit low-density primary dwellings, consistent with other Downtown zones.
- e. Reduce the allowable retail store floor area to accommodate neighbourhood-scale retail while directing larger-scale retail to the B6 District.
- f. Encourage high-quality development outcomes through new rules concerning articulation of building façades and the activation of setback areas for pedestrian-friendly purposes.
- g. Prohibit drive-throughs to support a pedestrian-oriented environment.
- h. Add rules for architectural screening of above-ground parking structures and ground floor active use requirement; and
- i. Add flexibility for loading spaces on constrained sites.

3. Density Bonus Provisions for B6 and MX2

Since 2015, the Zoning Bylaw has enabled buildings in the B6 District to exceed its 76 metre maximum through bonusing provisions that allow additional building height in exchange for development features that provide a public benefit. Eligible features are a public plaza, public art, green roof, structured parking, sustainable building practices and heritage conservation.

Amendments are proposed that will broaden the opportunity for bonusing and align the eligible development features with strategic goals (see Appendix 6):

- a. Enable bonusing in the B6 District to exceed any building height permitted by the Open Volume regulations, not just to exceed the 76-metre maximum.
- b. Enable bonusing in the MX2 District to exceed the new 27-metre maximum.
- c. Refine and update the existing bonusing provisions and formulas; and
- d. Add new eligible features: bicycle parking, affordable housing, and grade-level public walkways.

Bonusing scenarios are depicted in the architectural modelling (see Appendix 4).

4. Surface Parking Regulations for B6, MX2, and M4

Surface parking lots are permitted throughout most of the Downtown. Approximately 50 sites are currently dedicated to parking as a standalone use. While they are important to Downtown's parking supply, many parking lots have existed for years with few, if any, improvements.

Surface parking has a negative effect on the quality of the pedestrian-oriented urban environment crucial to a successful downtown. Along with aesthetic issues, especially with unimproved surface lots, they reduce street vibrancy and interrupt complete streetscapes lined with active uses. They impact walkability and perceptions of comfort and safety.

Saskatoon is an outlier among similar Canadian cities for its lack of regulatory oversight of downtown surface parking. The City Centre & District Plan and its predecessor both identified this as a key problem for the Downtown and recommended action. Other planning studies have reinforced pervasive surface parking as an enduring issue that is negatively affecting the quality and experience of Downtown Saskatoon.

In April 2025, City Council approved amendments to the OCP that introduced policy statements respecting Downtown surface parking. Subclause G.1.1(2)(n) affirms that the City of Saskatoon (City) will:

- "(iii) Reduce areas of surface parking in the Downtown by supporting new structured parking, new development on surface parking lots, and a higher share of Downtown trips by alternate modes of transportation;
 - (iv) Determine strategic pedestrian focused locations where surface parking is not appropriate; and
 - (v) Ensure that where new permanent surface parking is proposed, it is developed in a manner that integrates into the streetscape and is suitably screened so that it is not a focal point. This will include high-quality edges incorporating landscaping, public space and amenity areas that contribute positively to the public realm. There should be enhanced standards for surface parking located on a large corner lot or prominent site."

A. <u>A New Approach to Surface Parking</u>

A reset in the City's approach to Downtown surface parking is proposed. Regulating the location and condition of surface parking through zoning is one tool that can work in concert with other initiatives that encourage Downtown development to address this issue. Proposed regulations provide a framework for accommodating temporary and permanent surface parking developed as a standalone use in select areas of the

New Surface Parking Land Uses	Permanent surface parking lot.Temporary surface parking lot.
Permissions	 Prohibited use in B6 District on sites fronting or adjacent to 21st Street or 2nd Avenue.
	 Discretionary use elsewhere in B6 District, and in MX2 District and M4 District.
	 Temporary lots subject to time-limited discretionary use approval.
Development Standards	Temporary: screening fence only.
	• Permanent: screening, landscaping and hard surfacing.

Downtown along with expectations for site improvements (see Appendix 7):

A change is also proposed to require landscaping for accessory surface parking, which is parking that is located in conjunction with and serves another principal use on the same site.

B. Existing Surface Parking Lots

Proposed regulations for Downtown surface parking are intended to establish a new regulatory approach for surface parking going forward. However, existing surface parking lots may be impacted based on their legal status:

- Those that are approved uses prior to the adoption of new regulations become non-conforming uses and may continue operating in their current form. Any future expansion or modification of these surface parking lots would be subject to the Zoning Bylaw regulations in effect.
- Those that are not approved and are operating illegally under current regulations would remain illegal under the proposed regulations if no action is taken before they are in place.

Considering the number of Downtown sites that are developed as surface parking, Administration undertook a targeted communications approach with the property owners to communicate the proposed regulations well in advance so they could consider impacts to their property and what action, if any, they choose to take. This is outlined in the Communications and Engagement section.

Policy Alignment

The proposed amendments align with and support multiple OCP objectives regarding the Downtown:

- Ensure an attractive, functional and vibrant centre for the region;
- Encourage housing development;
- Facilitate the highest development densities in the city;
- Ensure it remains a principal focus for retail and commercial development;
- Support a variety of building sizes, types and ages to provide a diversity of development;
- Develop a pedestrian-oriented environment that is comfortable, attractive, accessible and inclusive; and

• Ensure buildings incorporate elements of an active frontage to help add animation, vibrancy, interest and comfort.

The proposed amendments directly address recommendations of the City Centre & District Plan and support the plan's vision for the Downtown and its overall goals and principles.

Comments from Other Departments

Planning and Development has engaged with multiple departments throughout the course of this work and their feedback has been incorporated in the regulations and in the project approach. No concerns have been identified that would preclude these amendments from proceeding to a Public Hearing.

COMMUNICATIONS AND ENGAGEMENT

Communications and engagement, as part of this work, considered the multiple affected properties and stakeholder perspectives involved in the Downtown (see Appendix 8). Communications and engagement included the following:

- a. Through a joint research project with the University of Saskatchewan, surveys and focus group sessions involving residents of the Downtown and outside neighbourhoods were administered to examine views on downtown living. Findings in its 2021 report <u>Creating Demand for a Downtown Lifestyle in</u> <u>Saskatoon</u> provided insights considered in these amendments.
- b. In 2023, a business and industry stakeholder focus group provided input on specific Downtown zoning changes which directly shaped many amendments.
- c. Targeted interviews with developers, Downtown organizations and local businesses in development of the <u>Downtown Market Analysis of Housing and</u> <u>Retail Demand</u>.
- d. Engagement throughout the preparation of the City Centre & District Plan took place to inform its recommendations.
- e. In August 2024, an Engage Page was launched on the City's website with information on proposed amendments and mailed notification provided to affected property owners, including targeted information provided to surface parking lot owners. This launch provided public information on the changes ten months in advance of the amendments now proposed for City Council's consideration.
- f. The Municipal Planning Commission at its <u>meeting</u> held on December 17, 2024, received an interim information report and presentation to solicit their feedback, as a stakeholder group.
- g. Meetings were held with the Downtown Business Improvement District, Ward 6 Councillor and individual property owners, where requested.
- h. On February 27, 2025, a public open house was held. Mailed notification was provided to affected property owners, along with communications through social media, e-newsletters and email correspondence groups.
- i. In April 2025, two months in advance of the anticipated public hearing date, a second targeted notice was mailed to surface parking lot owners.

PUBLIC NOTICE

Public notice is required for consideration of this matter, pursuant to Section 11(a) of Council Policy C01-021, Public Notice.

Once this application has been considered by the Municipal Planning Commission, it will be advertised and a date for a Public Hearing will be set. A notice will be placed in <u>The StarPhoenix</u> two weeks prior to the Public Hearing.

Prior to the Public Hearing, a final mailed notice to affected property owners and email to correspondence groups and other stakeholders will be undertaken.

NEXT STEPS

Outstanding items of the Downtown Zoning Review are a new zoning district for the DEED and a rezoning strategy for the B3 District along Idylwlyd Drive to allow transition of this area to urban, mixed-use development in line with Downtown and corridor development objectives. These are expected to be brought forward for City Council's consideration in late 2025.

Administration has also identified a review of the M4 District for improvements which, aside from the surface parking regulations, was left out of this phase. This work is subject to future resource allocation and timing is unknown.

APPENDICES

- 1. Downtown Zoning Map
- 2. Proposed Amendments to B6 District
- 3. Open Volume Explanation and Proposed Amendments
- 4. Open Volume Modelling Scenarios
- 5. Proposed Amendments to MX2 District
- 6. Proposed Amendments to Density Bonusing
- 7. Proposed Surface Parking Regulations and Supplementary Information
- 8. Community Engagement Summary

REPORT APPROVAL

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