



RAILTOWN

SUSTAINABLE NEIGHBOURHOOD ACTION PLAN



We would like to thank the Railtown stakeholder and technical teams for investing their time, energy and expertise at key stages throughout the process and for working with the planning and design team in a truly collaborative spirit.

Prepared for the City of Nelson by Modus Planning, Design and Engagement Inc. October 6, 2016

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NEW CONCESSION
PAVILION

- COFFEE
- WAREHOUSES
- TICKETS ETC





EXECUTIVE SUMMARY

This Sustainable Neighbourhood Action Plan for Railtown sets out a clear framework for implementation. The plan refines the vision for the neighbourhood that was outlined in the Sustainable Waterfront and Downtown Master Plan (SWDMP). It includes specific projects, and provides recommendations for partnerships, programs and funding sources with an implementation table outlining catalyst actions to build and gain momentum.

This plan was developed through a detailed and implementation-focused three phase planning process that included community and stakeholder engagement, market review and analysis, and close collaboration with City staff to ensure the plan both honours and implements the vision established by the SWDMP process.

Part 1 and 2 provide an overview of project purpose and process, neighbourhood context, inventory and analysis, and the sustainability framework that was used to evaluate sustainability criteria.

Part 3 outlines the illustrated vision for the neighbourhood. This includes the overall vision with priority public realm projects, land use and development concepts. Precedents, street sections and illustrations help to communicate the design concepts.

Part 4 focuses on implementation. One of the greatest challenges to realizing the vision for Railtown will be providing the right tools and incentives for implementation. While some projects have been identified as strategic public investments to catalyze the vision for Railtown, it is important to note that the Railtown Sustainable Neighbourhood Action Plan is not a public realm plan and the intention is not that it be implemented by the City. It will be principally a market driven process, supported by these strategic public investments. It assumes the prioritization of Railtown through growth management, efficient approvals

processes, and development tools and incentives, and will depend on close coordination between City departments and other partners/stakeholders to harness the full potential of Railtown.

The adoption of the plan is not the end of the project; it is the beginning of many tasks, each of which will guide Railtown toward this long term vision for form and character, land use, programming and public realm elements. In order to be successful, it must be well resourced with both time and funding.

In this context, the Sustainable Neighbourhood Action Plan Implementation Framework is an important resource intended to be used in tandem with the plan by identifying specific actions, programs, partnerships, required resources, funding sources, timing, roles and responsibilities. The Implementation Framework is a living document separate from the plan in that it is intended to be updated at regular intervals as actions are implemented and new implementation priorities identified.

It is also important to note that the historic industrial land uses in Railtown preclude certain forms of development and programming, and that has been a driver in the forms of development and open space programming that were explored in the process and have been proposed.

Railtown SNAP Boundary - 27.98 acres (11.32 hectares)



Figure 1. Map of Study Site

PART 1 : INTRODUCTION

OVERVIEW AND PURPOSE

Neighbourhood Snapshot

Railtown is an important and special part of the City, bordering both the downtown core and the waterfront and home to many historically significant landmarks. The vision for this 28 acre site is to emphasize the neighbourhood’s distinct character while creating better connections with adjacent neighbourhoods, and helping the City to realize established sustainability goals. New life and vitality in the neighbourhood will celebrate and contribute to the historical context and character. Indeed, seeding for this new life has already begun--when the Chamber of Commerce moved into its new home in the restored CPR station at the end of 2015, the neighbourhood and this historic landmark took on additional significance and meaning for the City.

The Power of Neighbourhoods

Neighbourhoods are large enough to enable a wide range of sustainable development strategies, and small enough to understand, plan and take action. As such, the neighbourhood is an ideal scale to implement sustainability principles in the context of local environmental and socioeconomic opportunities and constraints as well as local and regional market and financial realities. Fortunately, Railtown contains many of the ingredients that are necessary to sustain and provide a balanced approach to development: culture and history, business and innovation, and rich natural and human context. The Sustainable Neighbourhood Plan will help to further reveal and realize the tremendous potential that the Railtown neighbourhood, and by extension other neighbourhoods in Nelson, have in realizing city-wide and regional sustainability goals.

A Focused Vision

With some of the highest business licenses per capita in the province, along with growing tourism, arts and cultural sectors, Nelson is well positioned to manage growth and guide neighbourhood renewal in a practical manner rooted in market forces and in the context of the successful, diverse and therefore resilient local business climate. Specifically, Railtown provides the opportunity to support anticipated market demands for new jobs, better physical and visual connections to the downtown and adjacent neighbourhoods, to provide additional civic space, brownfield and ecological restoration, and additional mixed-use and innovative live-work residential/commercial opportunities. Turning the vision into action requires identification and prioritization of strategic public investments together with policies and guidelines to encourage and shape private development. Collaboration with stakeholders at key stages of the process revealed unique opportunities, challenges and aspirations of the community. The projects, programs, policies and actions identified in Part 4 of the Sustainable Neighbourhood Action Plan respond to these aspirations.

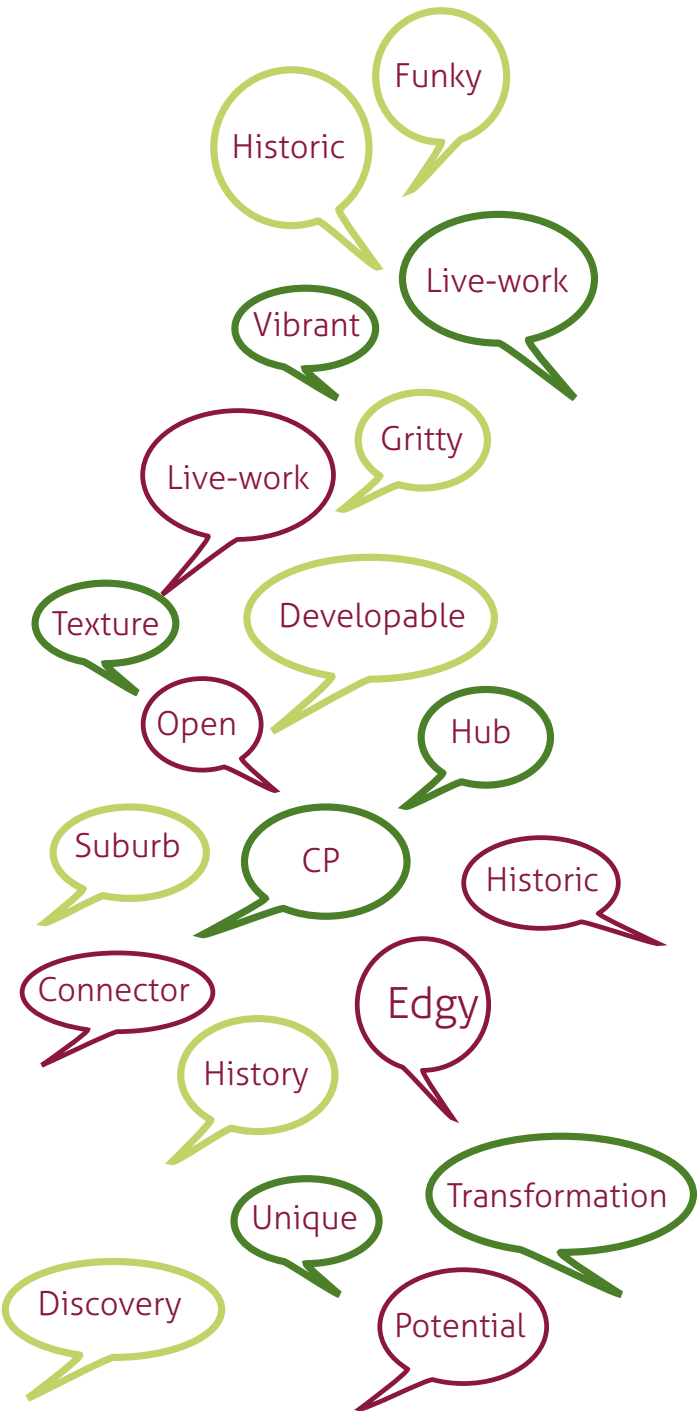
PLANNING PROCESS

Development of this plan involved a highly collaborative and integrated process with three phases. In each of these phases, the consultant team Modus Planning, Design and Engagement Inc. worked with the City and stakeholders to identify key issues and opportunities, co-create, evolve and test design options. The preferred option outlined in this plan has detailed actions, policies, partnerships and priorities for implementation.

The Railtown stakeholder team included Nelson residents, representatives from community organizations, and City councilors, who were invited by the City to represent the stakeholder team during project kick off.

During Phase 1 additional residents and community

The Spirit of Railtown



During Stakeholder Workshop #1 we asked, “What words capture the spirit of Nelson’s Railtown District?” These are the responses we received.

Figure 2. “Spirit of Railtown”

representatives became engaged in the process and joined the stakeholder team events during Phase 2.

Phase 1 included review and synthesis of relevant technical information, a market overview and financial analysis conducted by J.P. Raulout-Lapointe to provide a high level overview of market environment and inform concept development, along with confirmation of the neighbourhood vision and goals.

Phase 2 included the development of a Sustainability Framework to supplement the Draft Vision and Principles identified in Phase 1. The Sustainability Framework provided guidance for identification and implementation of sustainability components as required as part of the Federation of Canadian Municipality (FCM) partial funding for this planning process.

The Sustainability Framework was informed by the planning and policy context of Railtown - Nelson's Path to 2040 - Sustainability Strategy (2010) was of particular relevance.

A two day integrated and collaborative design workshop (charrette) was the key event in Phase 2 and resulted in development of neighbourhood concepts.

Phase 3 involved selection and refinement of the preferred concept, including detailed policy, design and implementation components of the plan and testing of concepts through a market analysis. The preferred option and detailed policy, design and implementation components make up Part 4 of the Sustainable Neighbourhood Action Plan.

A Project web page was also set up and included regular project updates, notifications, deliverables, and questionnaires/feedback from key stages of the project, including: a visioning survey in Phase 1, a Charrette Report and survey for further public input on the concepts that were developed during the design workshop in Phase 2, and a survey on the draft neighbourhood plan in Phase 3.

Planning Process Diagram

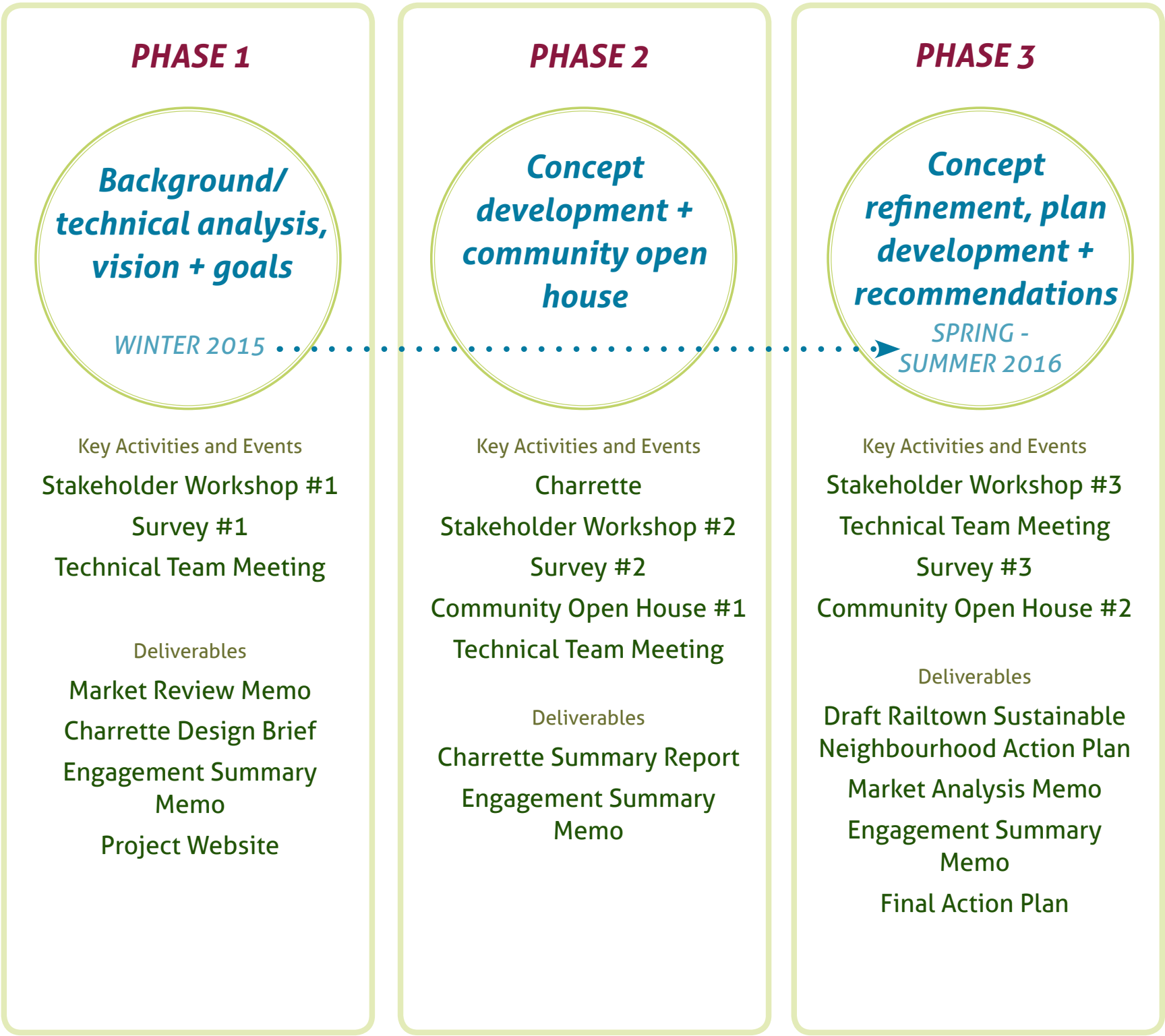


Figure 3. Planning Process Diagram.

PART 2: NEIGHBOURHOOD CONTEXT AND EVALUATION CRITERIA

PLANNING AND POLICY CONTEXT

The City of Nelson has an extensive policy framework in place to guide planning for Railtown. *Nelson's Path to 2040 Sustainability Strategy* is the most comprehensive, long-term of these, and was used together with the other plans and strategies to inform the design and planning process. The primary plans referenced were:

- Nelson's Path to 2040 - Sustainability Strategy (2010)
- Sustainable Waterfront and Downtown Master Plan (2011)
- Low Carbon Path to 2040 - Community Energy and Emissions Action Plan (2011)
- Active Transportation Plan (2010)
- Nelson Affordable Housing Strategy (2010)
- The City of Nelson Official Community Plan (2012)
- Heritage Register Update (2011)

Framework for Sustainability Evaluation

Drawing on these plans, a Sustainability Evaluation Framework relevant to Railtown and neighbourhood scale planning was developed to ensure that the Railtown Sustainable Neighbourhood Action plan successfully addresses the sustainability goals of the City. It is structured around four subcategories for sustainability:

- Community, Arts and Culture
- Carbon Reduction and Climate Change
- Local, Resilient Economy
- Recreation, Wellness and Healthy Ecosystems

The following represents a high level synthesis of principles, goals and objectives from previous plans and studies as relevant to a sustainable Railtown Neighbourhood:

- **Healthy, vibrant and walkable neighbourhoods** that foster togetherness, collective joy and celebration
- **Prosperity** to foster a diverse, value-added economy that provides good jobs close to home and amenities
- **Resiliency** to maintain and enhance the economic, social, ecological, and cultural systems that make Nelson great and strengthen our ability to withstand future challenges.
- **Cultural Strength** – to celebrate and embrace our rich heritage, diversity and thriving arts scene
- **Robust Ecosystems** through protection, enhancement, restoration, and connectivity of natural systems and habitats within Railtown, the downtown, the waterfront and throughout the community
- **A connected multi-modal community** to link the downtown, the waterfront, Railtown and the community as a whole
- **Infill, intensification and adaptive re-use** to create a diversity of unique neighborhoods each with a vibrant mix of jobs, housing and other compatible uses
- **A public waterfront** including parks and a continuous trail system
- **Green energy and infrastructure** for a low carbon and ecologically based neighbourhoods and communities
- **A highly liveable and amenity rich community** where people really like to live, work, learn and play

In addition to this high-level summary, a more detailed Framework was produced, incorporating objectives and design/development strategies for each subcategory. In the planning process, these were used to guide concept development. In the implementation process, these may also be used to monitor progress towards those goals. The detailed Framework is included in Part 4 of the action plan (p.63) showing where each of the precincts within the plan are anticipated to contribute to each strategy.

INVENTORY AND ANALYSIS

The Inventory and Analysis diagram was developed in Phase 1. Through developing this diagram we learned about key site issues and opportunities, which provided the foundation for discussing and developing design concepts.

Some of the key lessons from the Inventory and Analysis Diagram are that Railtown:

- is a continuation of Nelson's main commercial street, Baker Street
- has limited street connectivity with Baker Street terminating in a dead end
- has opportunities to improve upon active transportation through a formal and connected network
- is bounded on all sides (by steep slopes, highways, and the rail corridor)
- is home to a number of key heritage buildings, as well as Cottonwood Falls and Creek
- has key community and cultural sites such as the Rod and Gun Club, the Cottonwood Market, and other parks and open spaces
- is a special place in terms of topography (as one of the only flat places in Nelson)
- has a history of land use that has resulted in contamination of some sites that could require additional remediation and could drive architectural form
- the lands are comprised of a mix of private and public ownership, including a major landowner in the area outside of the City and other private owners.

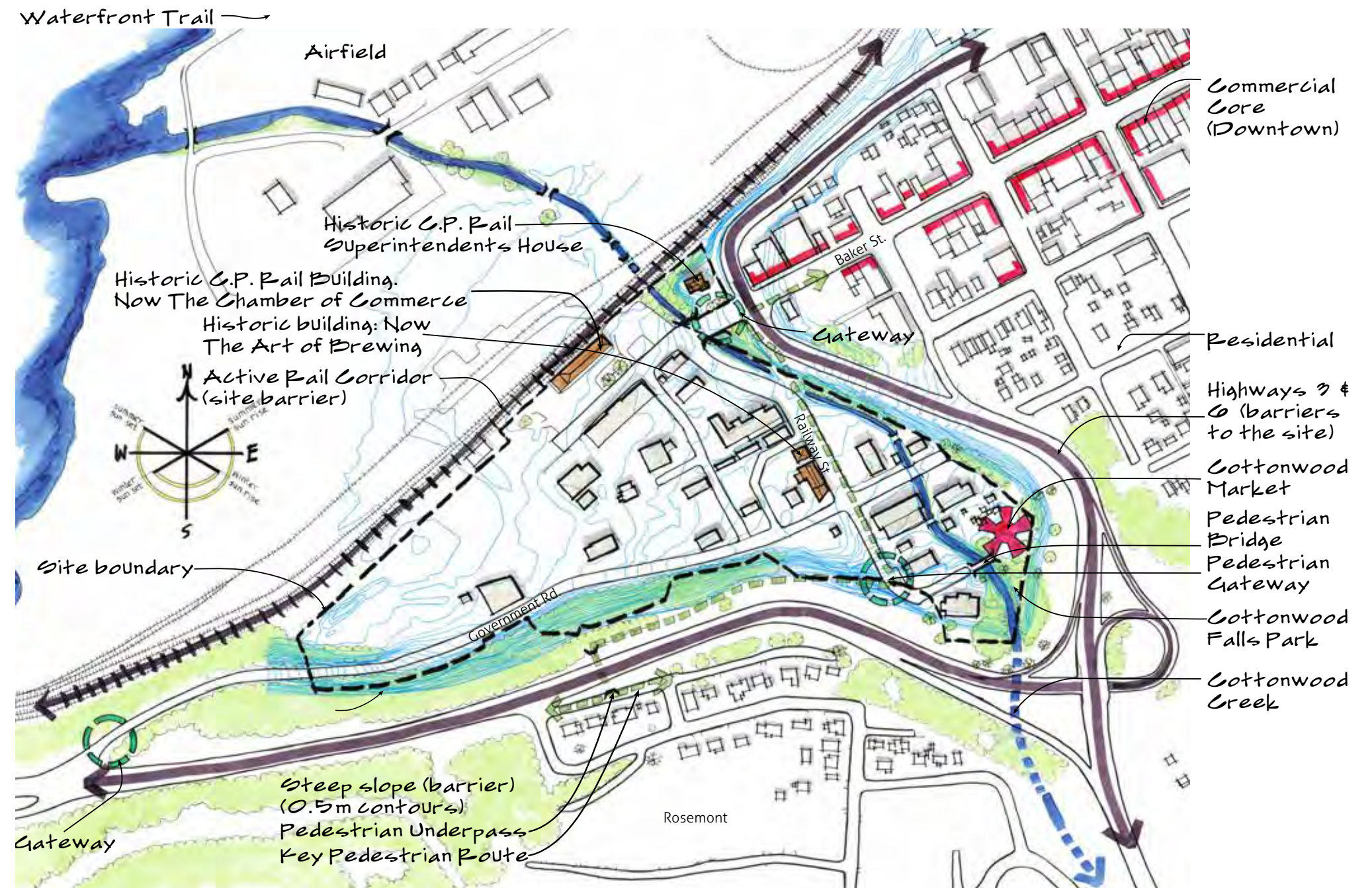


Figure 4. Inventory and Analysis Diagram

Railtown has evolved out of its human and ecological history. The land itself was the result of alluvial deposits left by the Cottonwood Creek watershed, and gave Railtown its special character as one of the few flat areas of Nelson. This flat land adjacent to the shore and creek made this a desirable location for the transportation hub for rail and shipping. As a result it also became a desirable location for early industries to settle, and an ideal site for the creation of one of the first hydropower generation sites in the Kooteneys.

Today, Railtown is bounded by rail lines, highways, and steep topography. Many light industries continue to operate in Railtown. There are also some residential uses. Railtown has limited ownership, with one major land owner outside of the City and C.P. Rail.

As illustrated in Figure 5 Railtown lends itself to being walkable. Providing good connectivity and a mix of uses within the neighbourhood would allow for residents, workers and visitors to access a variety of daily amenities within approximately a 5 minute walking distance. One could walk the width of Railtown in approximately 5-7 minutes (based on a 400m distance).



Figure 5. Walking distance diagram

BROWNFIELD REDEVELOPMENT



Above: The restored C.P. Rail Station, now home to the Nelson and District Chamber of Commerce.

Brownfields are vacant or underused sites with potential for redevelopment. They may be contaminated, often due to former industrial or commercial use. Brownfield redevelopment provides environmental, social and economic benefits to communities. The environmental benefits of brownfield redevelopments extend beyond the remediation and clean-up processes by returning used land back to green and natural spaces. Brownfields are an environmentally sustainable method of property development. It also provides unique opportunities for generating social benefits through sustainable land stewardship. From creating spaces for affordable housing to green and civic spaces, brownfields represent an untapped resource for communities to rebuild and grow. Brownfield redevelopment also creates a number of economic benefits for local governments, land developers and the community. By choosing to redevelop vacant or unused land, new sources of tax revenue can be found and redeveloped brownfield projects can spur on further new development as part of a community revitalization strategy.

Multiple land owners with varying objectives and financial resources can make it difficult to achieve the goals and objectives that have been identified for Railtown. With this in mind, there is a need for ongoing discussion and good communications between property owners, the City of Nelson and the Ministry of Environment over the lifecycle of the Plan. Land use strategies that allow flexibility are necessary so that property owners are able to remediate over time, but still allow for revenue generation in the shorter timeframes. Some of these strategies might include interim uses, reduced fees for interim uses, etc.

The Railtown Sustainable Neighborhood Plan shows a progressive redevelopment strategy for brownfields within Railtown. However, the final pattern of development must be flexible in both the short and long terms to allow existing property owners to financially achieve the final remediation based on Certificate of Compliance approvals from the Ministry of Environment.

Nelson's early beginnings occurred on the flat lands of the west waterfront, including Railtown. In 1891 CP opened a line from Robson to Nelson which connected the Columbia and Kootenay Steam Navigation Company steamboats. In addition to a steamship wharf, this area was the location of CP's yards, tracks and station. This area was also home to a coal gas plant or "gasworks" in 1900 which provided heat and light for the town, as well as the first hydro-electric plant in the province in 1896. This area was also the hub for the growing mining industry that became lucrative in 1886/87 with the silver, lead, copper and gold finds at Toad Mountain. As a result of the early land uses in the area, a significant portion of lands within Railtown have varying degrees of contamination and are brownfield sites. This contamination resulted from storage and transportation practices of goods historically associated with mining, transportation and bulk fuel storage uses. As in most cases, previous land use activities and historical development patterns can create challenges for renewed development on brownfield sites.

The Ministry of Environment through the Environmental Management Act manages the process to ensure new development meets all applicable environmental standards for future land use on brownfield sites. To this end, the Ministry articulates the standards for remediation of contaminated lands through a Certificate of Compliance process and subsequently communicates this information to the City of Nelson prior to new development proceeding.

As identified in Figure 6, contaminated lands in Railtown are in various stages of remediation. Land is available for development when a Certificate of Compliance has been issued by the Ministry of Environment. Large portions of the land area in Railtown have been remediated and have received Certificates of Compliance (COCs) from the Ministry of Environment. Commercial and residential development within Railtown will be required to comply with the conditions identified in the COCs. For residential development, this might entail further consultation with the Ministry of Environment and potentially additional remediation work undertaken.

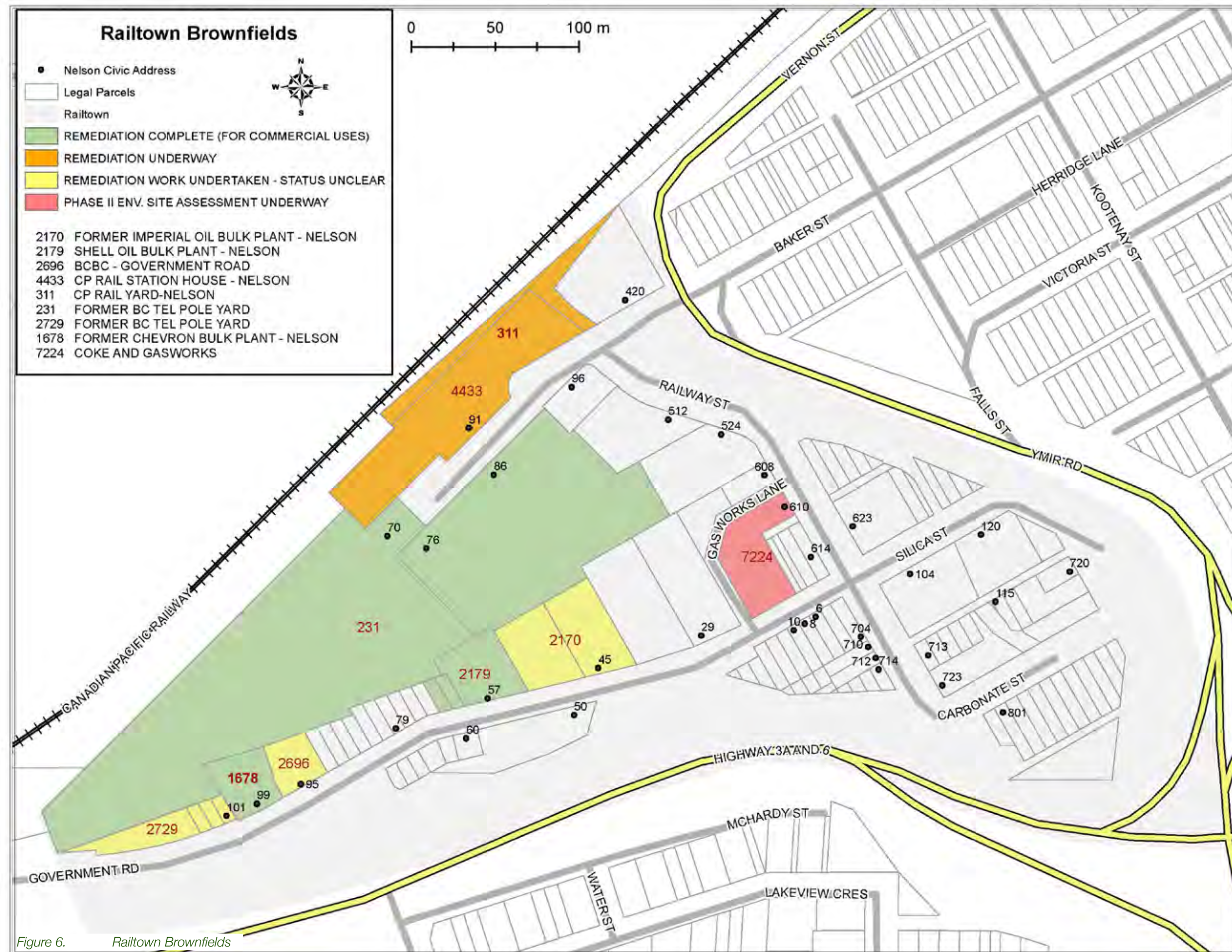


Figure 6. Railtown Brownfields

SERVICING + INFRASTRUCTURE

Overview

There are a variety of infrastructure requirements to support future development in Railtown. Figure 7 identifies the various infrastructure requirements over the next 10 years, with estimated timing and costing identified in Table 1. A new sewer lift station/relocation will be required to mitigate the current storm runoff onto private property. Water and storm main upgrades will be required along Railway Street and Government Road. There may be opportunities to treat storm water flow using green infrastructure. The City will explore incorporating a rain garden with the storm main infrastructure as a way of capturing rainfall and storm water runoff and decreasing the amount of runoff to the storm drain. Additional parking and designated and/or shared bike lanes will also be explored on these roadways. Pedestrian improvements at the intersection of Baker Street and Highway 3A will help to improve safety/pedestrian walkability to Railtown. There are a number of City-owned sites in Railtown including four old houses as well as the Coke and Gas Works building and adjacent vacant lot. Clean up and remediation of these sites is underway. Once completed, the City can move forward with issuing RFPs for redevelopment of these sites for mixed-use commercial/residential development.

Relocation and upgrade of Cottonwood market will require site servicing (water, electrical, permeable pavers) as well as upgrades to Silica Street bridge which provides access to the market. Market infrastructure is still in the planning stages, but in the short-term may include a new stage, washrooms and storage. Lighting in the park and a viewing platform are two ideas under consideration for park improvements. Development of a parking plan for the Rod and Gun Club parking lot will help to provide additional parking for the market, in addition to the newly created temporary parking lot adjacent to the Coke and Gas Works building. Additional parking may also be provided in the interim once the old houses have been demolished. In the longer term, additional on-street parking and underground parking at the multi-family sites should help to alleviate parking congestion for the market.

Railtown Infrastructure Requirements: Costing & Timing

Short - Term (required in the next 3 years)		
A.	Service City-owned sites	\$ 33,000
B.	Water main upgrade	\$ 15,000
C.	Bridge upgrade	\$140,000
D.	Sewer Main Servicing Plan	TBD
E.	Baker Street/Hwy 3A improvements	\$230,000
F.	Interim Railway Street improvements	\$135,000
G.	Interim Government Road improvements	\$ 50,000
H.	Upgrade Rosemont Tunnel	\$ 90,000
I.	City-owned houses – to be demolished	\$ 80,000
J.	City-owned houses – demolition/renovation under review, geotechnical analysis required to determine slope stability	\$ 80,000
K.	Cottonwood Market –stage, washrooms, storage, site servicing, lighting	\$275,000
L.	Convert empty lot into additional parking	\$ 10,000
M.	Env. Site Assessment Coke & Gas Works	\$ 23,000
N.	Remediate Coke & Gas Works land	TBD
O.	Enhance Cottonwood Falls viewing area	\$ 25,000
P.	Nature playground/orchard garden	\$ 70,000
Q.	Formalize parking plaza at Rod & Gun Club	\$ 10,000
Short-Term Total		\$1,266,100
Mid - Term (required in the next 3-5 years)		
R.	Overpass across CP tracks/pathway to waterfront	\$210,000
S.	Water main upgrade	\$ 15,000
T.	Storm main/public realm improvements	\$140,000
U.	Water main upgrade	\$ 30,000
V.	Railway Street improvements	\$ 20,000
W.	Renovate Coke & Gas Works building	\$100,000
Mid-Term Total		\$515,000
Long - Term (required in 5-10 years)		
X.	Sewer Main upgrade	\$ 25,000
Y.	New Sewer lift station/relocation	\$100,000
Z.	Water main upgrade	\$ 80,000
Long-Term Total		\$205,000

Table 1. Railtown Infrastructure Requirements

Railtown Infrastructure Requirements Diagram




LEGEND


- Short Term (Green)
- Medium Term (Blue)
- Long Term (Orange)

The diagram shows the following infrastructure requirements labeled A through Z:

- A:** Short Term (Green)
- B:** Short Term (Green)
- C:** Short Term (Green)
- D:** Short Term (Green)
- E:** Short Term (Green)
- F, V:** Short Term (Green)
- G:** Short Term (Green)
- H:** Short Term (Green)
- I:** Short Term (Green)
- J:** Short Term (Green)
- K:** Short Term (Green)
- L, M, N, W:** Short Term (Green)
- O:** Short Term (Green)
- P:** Short Term (Green)
- Q:** Short Term (Green)
- R:** Short Term (Green)
- S:** Short Term (Green)
- T:** Short Term (Green)
- U:** Short Term (Green)
- V:** Short Term (Green)
- W:** Short Term (Green)
- X, Y:** Long Term (Orange)
- Z:** Long Term (Orange)

Figure 7. Railtown Infrastructure Requirements

 Short Term
 Medium Term
 Long Term

 Medium Term

 Long Term

SOCIAL AND CULTURAL CONTEXT

Overview

Nelson is home to a creative and diverse population and Railtown is a special place in the City where many people find a predominantly unprogrammed space in a natural setting near Cottonwood Falls. In many ways, the seemingly sporadic nature of development and the relationship with the creek create a special feeling in Railtown that lends itself to a sense of inclusivity and a place for everyone.

It is important that as Cities grow these places are identified and their inclusivity maintained as they grow. Through public realm design, Railtown can continue to create welcoming places where people can find refuge within the City. Introducing new uses into Railtown should add to this by providing opportunities for a diversity of housing and employment in close proximity to the downtown.

Key Community Sites

Cottonwood Falls Park is home to two very important amenities: **Cottonwood Market** and the **Japanese Gardens**. With over 40 vendors and a variety of live music, the highly successful Cottonwood Market has been an important part of Nelson's identity for many years. In 2015 the decision was made to remove the market structures in the interest of public safety. The City of Nelson, along with the West Kootenay EcoSociety, has developed a plan for the replacement of the structures. Current plans for the market include relocating it slightly to the east, and providing a serviced/landscaped site with an events stage, washrooms and storage facility. The provision of permanent stalls for vendors may be explored in the future.

The Japanese Gardens in Cottonwood Falls Park were officially opened in the fall of 2006, and they commemorate the sister-city relationship between Nelson and Izushi which was started in the late 1980's. The Japanese Gardens were created by Hiro Okusa and have been maintained by volunteers. The Nelson garden has a Japanese counterpart in Izushi, Japan.

New development adjacent to both the market and the Gardens needs to ensure that it blends sensitively with both of these community amenities that are integral to Nelson.



MARKET AND FINANCIAL ANALYSIS OVERVIEW

A Market and Financial Analysis was conducted to support the writing of the Sustainable Neighbourhood Action Plan (SNAP) for Railtown. The following selection is included verbatim from the memo. Please refer to the appendix on page 68 for the full report.

Market Analysis Conclusions

The major findings from the preliminary market analysis to support the revisioning of the Railtown neighbourhood include:

- Population forecasts suggested in the Colliers report from 2011 are overly optimistic. This will influence demand from all different types of land use, not only residential.
- Residential demand is expected to average between 81 and 95 annually over the next 10 years, of which 50% have been historically multi-family. At that growth rate, if Railtown can attract 30% of projected multi-family development, it could have close to 140 units in 10 years. Railtown could capture a higher percentage of multi-family demand if developers are convinced to focus on Railtown rather than other neighbourhoods.
- Railtown could absorb up to 25,000 square feet of retail space without negatively impacting the downtown. Railtown would be an excellent location for service commercial retail where businesses might require extra storage, assembly, or office space beyond pure retail space. Other types of retailers that could be suited to Railtown include restaurants, or destination retail that would not rely on foot traffic in downtown for business.
- Nelson is likely to see demand for 11 acres of new light industrial space over the next 10 years. Railtown should try to attract light industrial users that would fit well with retail and residential neighbours.
- Office demand can be difficult to project, but the City should be open to government office users moving into Railtown. Start-up or small technology companies are likely to prefer renovated warehouse space, which could be an excellent fit for Railtown.

Depending on how motivated the City of Nelson is to promote development in Railtown, the following strategies could be used. :

- Relax Zoning Regulations: Railtown’s location adjacent to industrial waterfront lands and to the downtown makes it a viable location for residential, light industrial, retail, and office use. Creating zoning regulations that allow for each of these types of uses will promote development.
- Promote Catalytic Developments: Any development that will bring activity to Railtown will promote interest in the area.
- Provide Incentives: The City of Nelson could provide some tax incentives to developers in Railtown if it was considered a priority.

Financial Analysis Summary

All the stakeholders involved with creating the Sustainable Neighbourhood Action Plan (SNAP) supported a vision for Railtown where it would become a vibrant neighbourhood with an increased population living in the area. To help reach this vision, new multi-family developments in Railtown were recommended.

Three development typologies in particular were tested for financial viability including a low-rise apartment building, a low-rise apartment building with ground floor commercial space and a townhome project with ground floor studio / commercial space.

As some of the lands in Railtown have issues with contaminated soils it was necessary to include development forms that did not include residential uses on the ground floor.

The viability of the development scenarios was as follows:

- The most viable development scenario was the low-rise apartment building. This 29-unit project produced a return of 16.5% with the base assumptions – selling the 836 square foot units

for \$259,000 or \$310 per square foot. This project would still be viable if units were sold for \$248,000 without including the cost of Baker Street, and \$251,000 if the cost of Baker Street extension was included.

- The townhouse with studio development produced a return of 5.7% with the base assumptions. Reducing the land value to \$435,000 per acre improves the return to 9.5%. At this lower land value, prices for the townhomes would only need to rise from \$332,000 to \$341,000 for the project to produce a 12% return. Without reducing the land value, this townhome project would need to charge \$355,000 per unit to be viable. These estimates assume the studio space would be rented.
 - If the cost of extending Baker Street were included these units would need to sell for \$368,000 to be viable – without including a reduction in land value.
 - If the studio units were sold together with a townhome unit, the price for both would need to be approximately \$387,000 per unit (or \$390,000 if the Baker Street extension cost was included). The developer could also decide to sell the studio space as a separate strata unit.
- The mixed-use low-rise apartment produces a return of 5.6% under the base assumptions. To improve this return to 12% the residential units require a price increase from \$250,000 per unit to \$266,000.
 - This price per residential unit can be reduced to \$259,000 per unit (\$322 per square foot) while retaining a 12% return for the project if the rental rate for commercial space can be increased to \$14 per square foot and the parking requirement for residential units is reduced to 1.2 stalls per unit.
- From a timing perspective, all the developments considered would be feasible today. Only the townhouse and mixed-use projects would require a small increase in sales values to be viable.

PART 3: NEIGHBOURHOOD PLAN

VISION

Key facts:

- Railtown is 28 acres in size,
- The plan is for a 35 year build out,
- There are approximate 140 units anticipated in Railtown over the next 10 years,
- Potential for approximately 25,000 sq. ft. of new commercial space
- Potential for 11 acres of new light industrial space (city wide),
- Potential for up to approximately 300 units by 2050.

"In 2050, Railtown will be a thriving, dynamic, and inclusive neighbourhood with an eclectic mix of local businesses and jobs to support community creativity and entrepreneurship. A connected, quirky and lively public realm will support inclusivity, art, ecology and community celebration. A broad range of innovative housing types will address local housing needs and affordability. Railtown's intimate, cozy, and human scale, together with its rich, industrial, and even gritty character, will be a venue for building community, celebrating diversity, and supporting Nelson's resilience and self reliance"



DESIGN PRINCIPLES

Sense of Place

The feel of Railtown grows organically from the many people who participate in shaping the physical expression of buildings and public spaces. A 'Do it yourself' spirit and natural areas flourish: the public realm embraces both, with flexible spaces that are gritty enough to invite adoption for creative use and personalization. They lend themselves to social interaction, gathering, festivals and events.

Connected

Railtown is physically connected to the rest of Nelson. It offers safe and enjoyable transportation options for people of all ages and abilities to get to Railtown and travel within the neighbourhood. As a mixed use neighbourhood with jobs, homes and restored natural areas, Railtown is an integral part of Nelson's culture, economy and ecology.

Resilient

Railtown is a carbon-neutral, economically and ecologically rich and sustainable neighbourhood that contributes to a more self-reliant Nelson, and also reduces causes of and mitigates impacts from climate change. Buildings are adaptively reused, and designed to take advantage of renewable energy; streets and public spaces support the tree canopy, integrated stormwater management, and habitat for indigenous wildlife; and, dependence upon fossil fuels is reduced through design that supports walking and cycling.

Vibrant

Railtown is a healthy, safe and welcoming place that supports diversity. As a neighbourhood that supports employment; a range of housing for a variety of ages and income levels; and, recreation, leisure and ecology, Railtown provides diverse opportunities to interact with neighbours, the environment, and visitors. Restored ecological areas provide recreation, leisure, sustenance and transportation opportunities, and adaptively reused buildings as well as new buildings provide a mix of diverse options for housing and businesses.



CONCEPTUAL LAND USE PLAN



This site concept plan of the Railtown area was developed through stakeholder input at the charrette. It shows different types of land uses and key catalyst (or potential project) sites that could be opportunities for change and new development in the future.

LEGEND

- RESIDENTIAL
- INDUSTRIAL
- ACTIVE STREET FRONT
- PARK
- OPENSOURCE
- GROUND FLOOR WORK / STUDIO

Figure 8. Conceptual Land Use Plan

8 BIG MOVES TO TRANSFORM RAILTOWN

8 Big Moves were identified to transform Railtown. They are a set of catalyst projects and public investments that, together, are the seeds that will initiate the transformation of Railtown from good to great.

- 1 Connect Railtown and Baker Street to the Waterfront
- 2 Enhance the Gateway
- 3 Connect Baker Street to Market
- 4 Create Pedestrian Mews/Lane
- 5 Baker Street Connection
- 6 Enhance Rail Yard Plaza
- 7 Create Station Park
- 8 Mixed-Use Multifamily



*Pedestrian Lanes and Mews are intimate pedestrian lanes that act as streetfronts. Railtown proposes two lanes and one pedestrian mews. See page 36 and 51.













Figure 9. Big Moves Diagram

PUBLIC REALM AND OPEN SPACE

Public Realm projects support and encourage healthy living, cultural strength, resiliency and ecosystems. The public realm and open space strategy for Railtown aims to support all of these, and includes:

- **A connected active transportation network.** This means a complete and connected network for pedestrians, cyclists, etc. that is not only safe but designed for comfort and delight (protection from the elements, and connects points of interest);
- **A complete transit and street network.** Completing and connecting Baker Street with Government Road and creating a transit connection through Railtown is a priority set out in the Sustainable Waterfront and Downtown Master Plan. The "Railtown Loop" would provide transit in Railtown along the connected Baker Street, Government Road, and back to Baker via Railway Street.
- **High Quality Public Plazas and Streets.** Railtown provides opportunities for social interaction and inclusion through public plazas and inviting streetscapes. These spaces also support the prosperity of businesses, recognize key community and heritage buildings, and contribute to the desirability of Railtown as a place to locate and incubate a business.
- **Enhanced existing parks.** Cottonwood Falls Park is key to Railtown's culture and identity, and it provides opportunities for leisure and to enjoy Cottonwood Creek, the Japanese Garden, and Cottonwood Market. Development in Railtown will support and enhance these key community amenities.
- **New greenspace and parks.** Additional parks and open spaces in each precinct would provide residents and workers with easy access to nature, outdoor recreation, education and leisure opportunities.
- **Community Gardens and Edible Landscapes.** Community gardens and edible landscapes can be located in parks as well as street boulevards. They provide opportunities for social interaction and healthy living, and can support local ecosystems. Any garden or edible landscape should follow best practices for gardening on a brownfield site.
- **Cottonwood Creek Improvements.** Cottonwood Creek has a long history of channelization and industrial use. Creating softer edges using boulders and logs in place of concrete near the intersection of Baker Street and Railway Street would help to restore some of the creek and to create better visibility of the creek from the street. A soft edge is not possible along all stretches of the creek. In these areas, pedestrian access could be created through cantilevered boardwalks.
- **Raingardens and Ecological Planting.** Street boulevards designed to integrate stormwater can help to mitigate the demand of stormwater on infrastructure in Railtown while adding ecological value. Government Road and Railway Street have been identified as locations for raingardens, however raingardens are encouraged throughout the neighbourhood. Design of raingardens should follow Low Impact Development best management practices, and seek to contribute to neighbourhood character.
- **Support for Sustainable Transportation.** Public plazas and streets can help to support sustainable transportation options by providing amenities like car share parking, electrical vehicle charging stations, bike share programs, and bicycle racks

LEGEND

-  "RAILTOWN LOOP" TRANSIT STOPS
-  SUSTAINABLE TRANSPORTATION
-  KEY GATEWAY
-  SECONDARY GATEWAY
-  KEY VIEW TO WATERFRONT
-  KEY COMMUNITY OR HERITAGE BUILDING
-  BAKER STREET CONNECTION
-  COTTONWOOD CREEK
-  ACTIVE TRANSPORTATION CONNECTION
-  PARK
-  PLAZA
-  RAINGARDEN

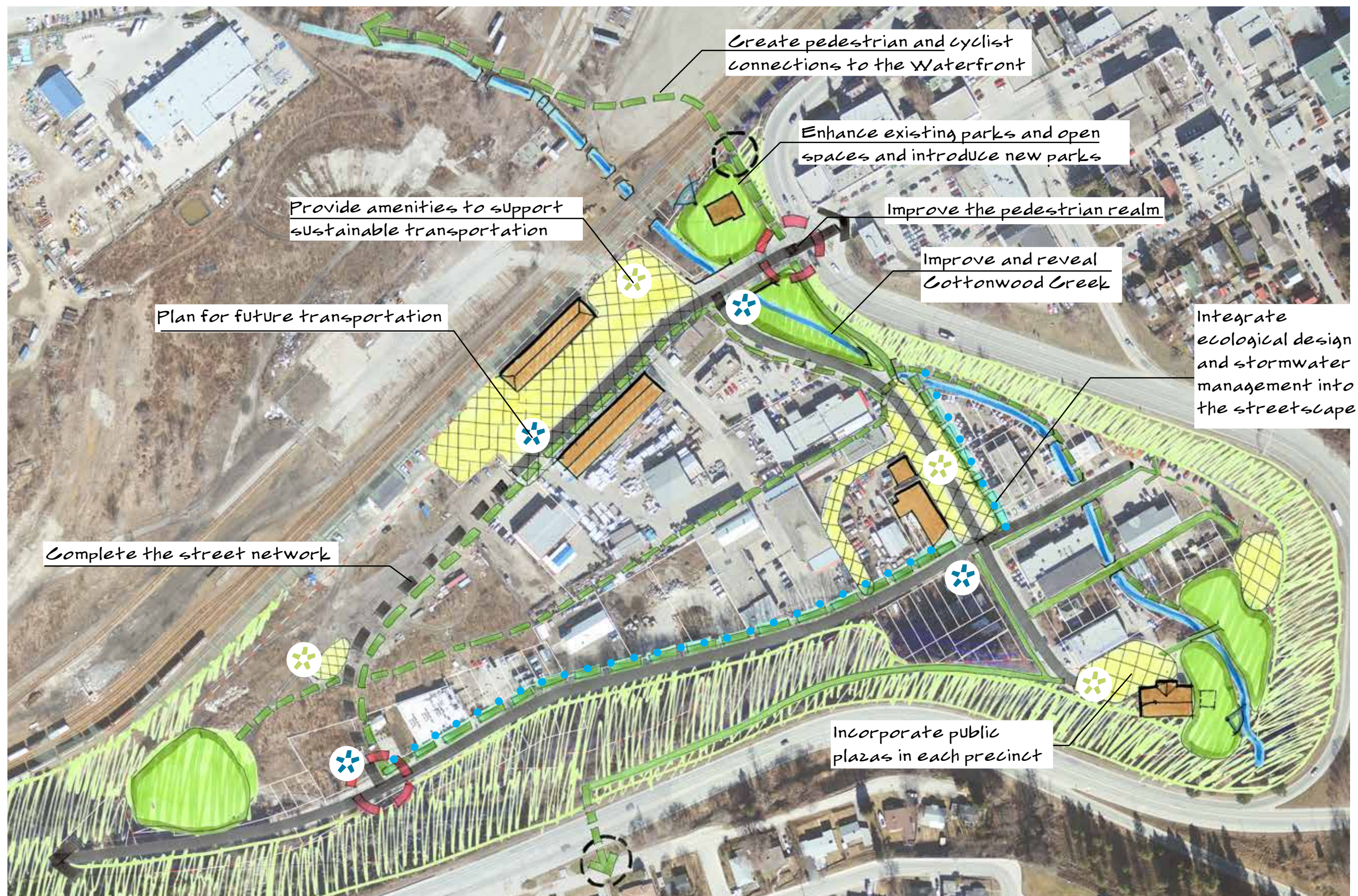


Figure 10. Public Realm and Open Space Diagram

SUSTAINABLE INNOVATION

Historically Railtown was a centre for innovation as the hub for early industry and power in Nelson. Moving forward into a sustainable future, the City would like Railtown to continue to act as a hub for innovation.

The City of Nelson approved the 2011 Low Carbon Path to 2040: City of Nelson Climate Action and Energy Plan which recommended the establishment of Development Permit Areas (DPA's) to influence conservation of energy and water, and the reduction of green house gas emissions. Railtown falls within the 2013 Downtown and Waterfront Development Permit Area #2, which includes a variety of standards and guidelines to ensure that developments meet baseline sustainability practices. According to this DPA, sustainable approaches at all levels are strongly encouraged, and include but are not limited to:

- Low impact development for stormwater treatment (green roofs, bioswales, raingardens, permeable paving, water cisterns, etc.), and LEED Sustainable Sites,
- Dedicated recycling facilities for all buildings,
- Site Design, such as: building orientation and thermal mass, natural ventilation and day-lighting, etc.,
- Landscaping, such as: climate appropriate vegetation, planting trees, permeable surfaces, rainwater collection features and systems, etc.,
- Building practices to divert waste, and
- Energy, such as: on site generation (solar panels, micro-hydro, etc.), district energy generation, efficient lighting, etc.,

The full list of sustainability standards and guidelines can be found on the City of Nelson website, titled Downtown and Waterfront Development Permit Area #2.

The Low Carbon Path to 2040: Climate and Action Energy Plan outlines a number of incentives for sustainable innovations, including but not limited to:

- Reducing parking requirements in exchange for active transportation infrastructure and car share for new and re-development,
- Streamlined building permitting processes for building demolition waste management,

- Permit fast-tracking and permit fee waiver to increase efficiency in new buildings,
- LiveSmart BC and Fortis BC Incentives and Rebate Programs,
- Solar BC Incentives towards installation of solar hot water systems,
- BC Scrap It Program,
- Federal EcoEnergy Retrofit program, and more.

The City should explore the development of a revitalization tax exemption program that will not only encourage development in Railtown, but will encourage it to be done in an innovative and sustainable manner. In order to achieve exemptions, a list of eligible items along with specific criteria should be developed. Items that achieve exemptions could include adaptive reuse of existing buildings, facade improvements, affordable housing, green infrastructure, seniors housing, accessible housing, electric vehicle charging stations, car share/bike share, etc.

Green infrastructure could include items such as green roofs, solar hot water panels, photovoltaic panels, heat pumps, innovative grey water systems, district energy, etc.

Railtown could also provide a testing ground for sustainable initiatives such as raingardens incorporated into stormwater infrastructure and a community compost pilot project.

PERMITTED USES

In addition to existing uses currently permitted in Railtown, the City might consider the following additional uses:

- **commercial / retail**
 - art gallery / museum
 - entertainment facilities / venues
 - restaurants
 - retail stores and warehouses

- **tourism industry:**
 - hotel / bed and breakfast
 - temporary / mobile vendors
- **community and social amenities**
 - child care facilities
 - health services (dentists, optometrists, physicians, midwives, dietitians, massage therapists, naturopathic physicians; occupational therapists, physical therapists, psychologists, acupuncturists, etc.)
 - care services
 - community gardens
 - social services
- **business and professional office** uses, including co-working suites with shared office space
- **innovation and incubation spaces** that provide space and equipment to explore technology, launch businesses and create new jobs.

Within the Waterfront Mixed Use Industrial and Commerical Zone custom indoor manufacturing is currently permitted. This allows for small scale, on-site indoor manufacturing. These uses could include, but are not limited to:

- **food or beverage product manufacturing:**
 - with a focus on production and distribution and potential for a small percentage of space and/or time dedicated to commercial retail and/or opportunities for educational programming. Activities might include but are not limited to:
 - food packing and preparation
 - distillery, craft brewing, coffee roasting
 - interior urban farming such as sprout production or culinary mushroom growing, etc.
- **traditional artisan crafts:**
 - glass blowing, casting, pottery and ceramics
 - painting, sculpture, model building, and photography studios
 - dance, music and fitness studios
 - fashion, jewelry and leather product design and manufacturing

- artist supply manufacturing, such as paints, solvents, painting supports, etc
- textiles, such as carpets, mats, rugs, canvas, fabrics, etc.
- **outdoor recreation related industries:**
 - bicycle sale and service shops
 - boat manufacturing
 - ski, snowboard, climbing related manufacturing, repair and shops
- **furniture and fixtures or wood product manufacturing:**
 - furniture, curtains, mirrors, cabinets, counters, etc.
- **printing or publishing**
 - with a focus on production and a small area dedicated to commercial service
 - printing, lithographing, silk-screen printing, platemaking, engraving, and publishing such as newspapers, magazines, books, maps, etc.

PRECINCTS

Building on the design principle 'Sense of Place', Railtown is envisioned to be made up of five precincts, each with its own distinct character and use.

Precincts are special areas within a community or neighbourhood that are defined by their unique uses, activities, design, history, and character. By differentiating and enhancing our unique - but interrelated - Railtown precincts, we can strengthen the identity of Railtown overall.

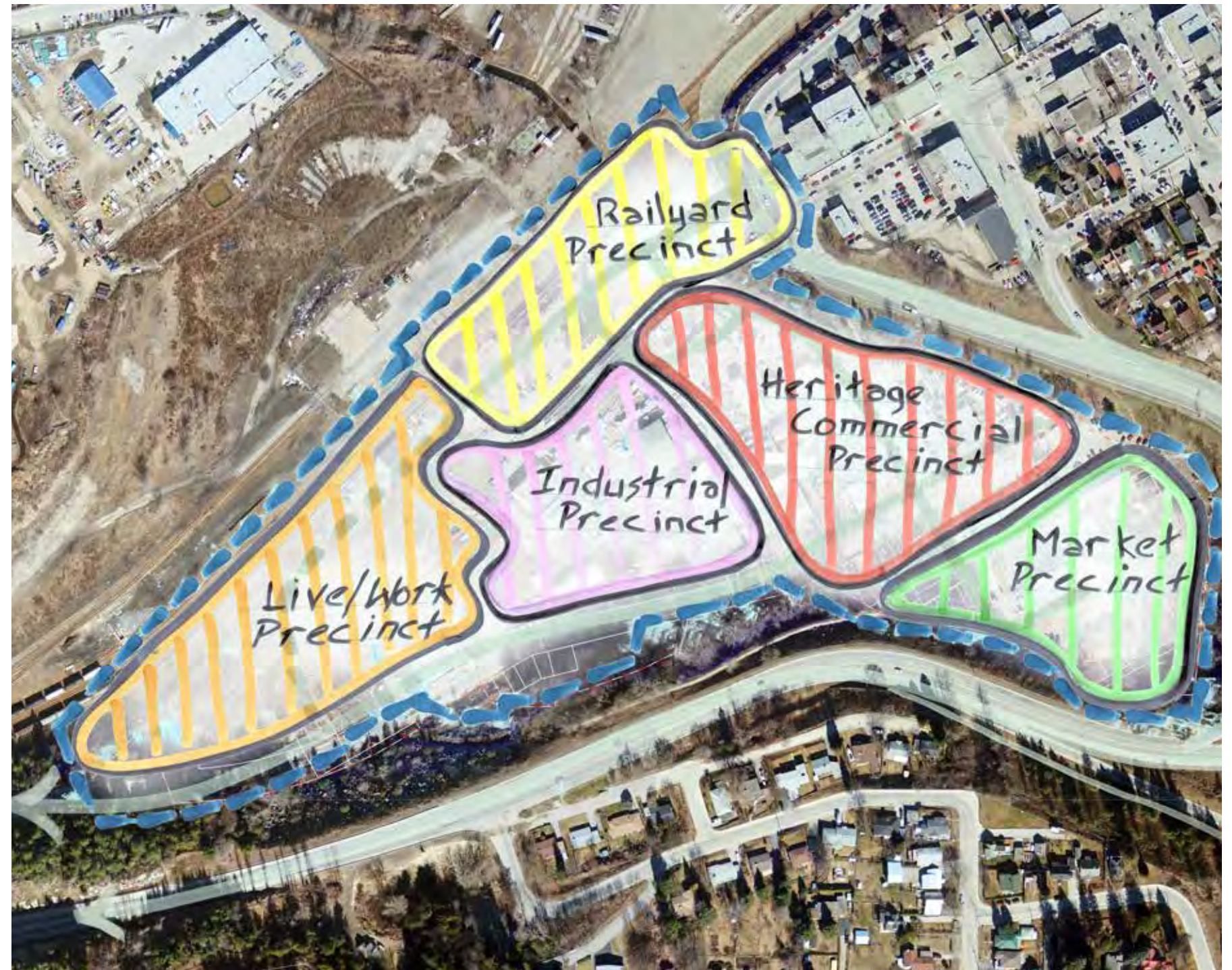


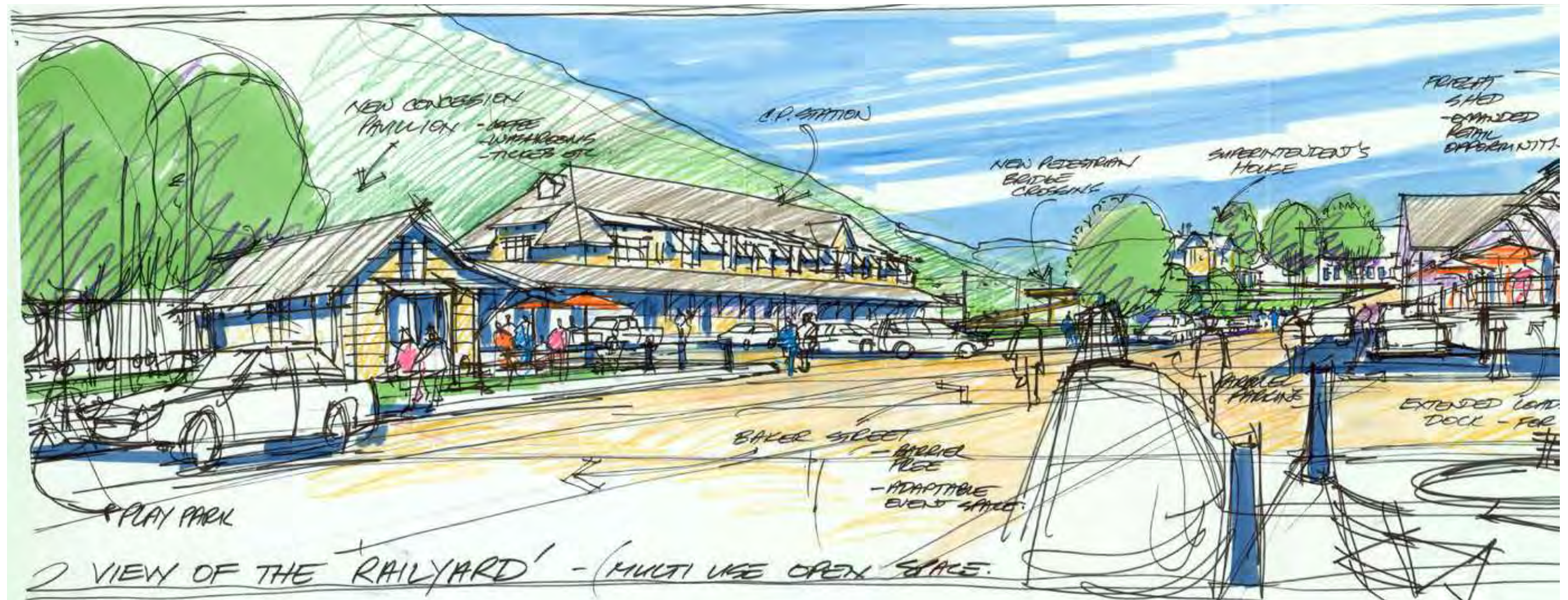
Figure 11. Precincts Diagram

THE RAIL YARD PRECINCT

The Rail Yard Precinct includes 7 key projects:



Figure 12. Rail Yard Precinct Illustrated Plan



The Rail Yard Precinct is the gateway to the neighbourhood from Nelson's primary downtown street, Baker Street. Its character and unique sense of place are defined by streetscape and public realm design that celebrate its historic industrial and rail uses and by the CP Rail Station and Freight Buildings.

The projects involved in transforming the Railway Precinct into an active public plaza are already well underway, with the recent renovations to the historic CP Rail Station which have allowed the Chamber of Commerce to relocate to Railtown. This project and the following proposed projects seed investment and build interest in the neighbourhood - and help to re-imagine Railtown as a lively destination in Nelson.

The Rail Yard Precinct concept builds on these recent renovations and public realm improvements to expand programming opportunities. Public open spaces are key community assets for promoting artistic and cultural expression by providing flexible and seasonal events and festival space near the heart of the City, and for creating a socially vibrant and inclusive neighbourhood.

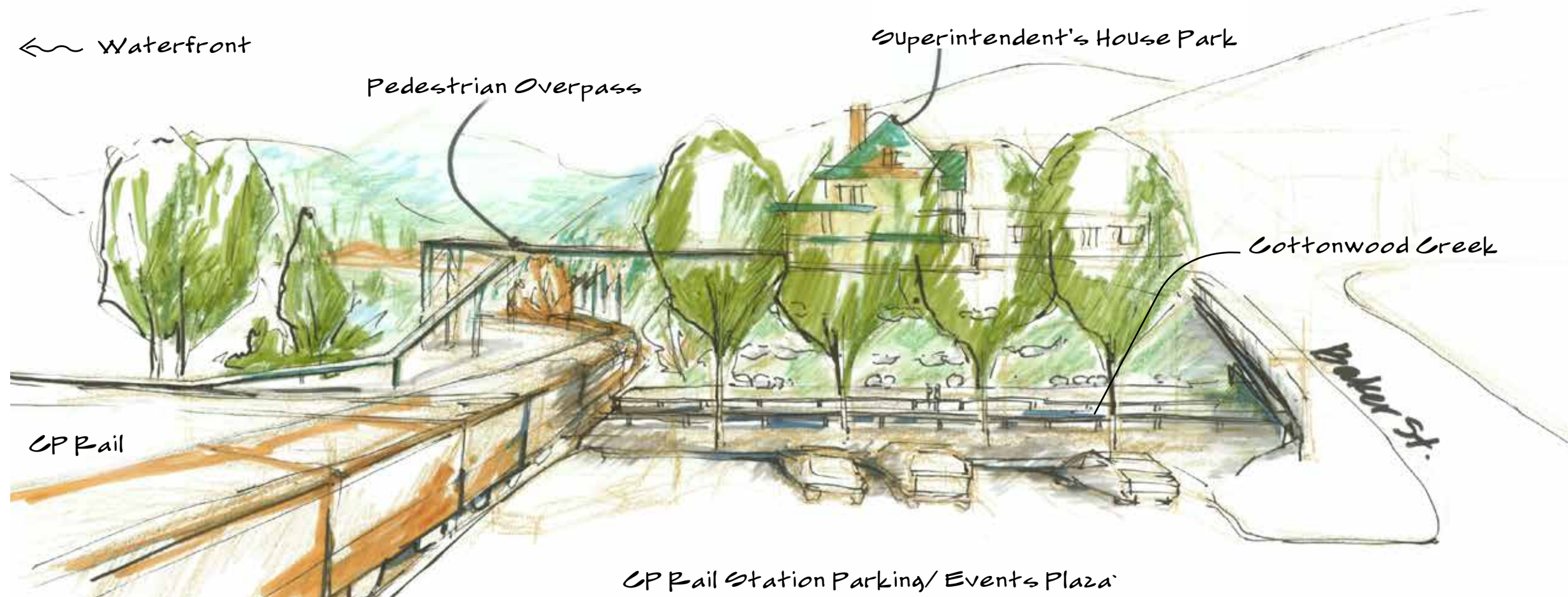
The Big Moves in the Railyard precinct are to make a key connection between Baker Street and the waterfront; extend Baker Street through to Government Road; continue to build on the public realm improvements at CP Rail Station; and to establish a park at the Superintendent's House.

Action 1: Establish a park at the Superintendent's House

BIG MOVE ⑦

It is recommended that the City work with the owners of the historic home to purchase it for use as park space and for special programming, and as a place to create this waterfront connection. The historic building could become home to recreational and/or cultural facilities, or as identified by stakeholders could provide support to youth or other identified social needs within Nelson, or a mixture of both.

Seating should be incorporated into the high topography behind the home as a vantage point to the creek and of CP Rail, and the parking area adjacent to Baker Street should be formalized.



VIEW LOOKING EAST FROM THE CP RAIL STATION TOWARDS PROPOSED SUPERINTENDENT'S HOUSE PARK AND PEDESTRIAN OVERPASS

Action 2: Connect to the Waterfront

BIG MOVE ①

During the planning process, one of the most commonly expressed desires by stakeholders and attendees of the public open houses was to see a connection between Railtown and the waterfront multiuse trail. A pedestrian trail connection from this location has been a long term goal for the City. It was identified in the 2011 Sustainable Waterfront and Downtown Master Plan, and the 2010 Active Transportation Plan identifies a bicycle network connection here. This project is a **Big Move** and a key catalyst investment.

A pedestrian overpass would help to resolve safety issues of people crossing the tracks at unplanned areas, and would help to create a better Nelson wide connected network for active transportation and recreation. Creating a pedestrian connection will require close collaboration between the City of Nelson and CP Rail to find a solution, and this discussion has already been started through the Railtown Planning process, with a representative from CP Rail taking part in the stakeholder team events in Phase 2.

During the design charrette, the topography in the north east corner of the historic CP Rail District Superintendent's House was recognized as a good location to establish a pedestrian overpass - not only would the topography provide elevation gain and help to reduce the ramping needed on the Railtown side of the tracks, it would also provide a better connection between downtown Baker Street and the waterfront.

Detailed design of the pedestrian overpass should allow for this path to be fully accessible, and the space required by cyclists to walk bicycles across. Materials should create a pleasant journey. Feedback at the public open house suggested that wood, like railway trestles, would speak to both the rail context and indicate the transition from an urban to more naturalized area.

Action 3: Fully restore the former freight shed

Building on the CP Rail Station renovations, continued restoration of the facade of the former freight shed will frame the Rail Yard Plaza and the gateway to the neighbourhood. The high first floor level of the freight shed is typical of industrial areas, and provides unique character to build on. The front and north side provide a shaded location for expanded patio areas for use in the hot summer months, refuge from an otherwise open and sunny plaza, and a great place to oversee the plaza and people watch from an elevated position.



Above: Freight shed today



Above: A former industrial loading dock that has been transformed into a space for seating and storefront display in Sioux Falls, SD



Above: Storefront and patio seating is set at the elevation of the former loading docks. Pedestrians primarily walk along the elevated patio, but can also easily navigate the street as parallel parking and narrow width slows traffic. Mainland Street, Vancouver, BC.

Action 4: Improve the Pedestrian Experience

BIG MOVE 2

Reconfigure the intersection of Baker Street at Highway 3A to slow traffic and improve pedestrian safety and comfort:

- Remove the 'pork chop' which allows for high speed turns onto Baker Street, and replace it with a corner bulge to reduce crossing distance,
- Emphasize the crosswalk using stamped asphalt, paint, or other material/paving interventions,
- Incorporate parking on the bridge to reduce the expansive road width dedicated to travel, and thereby slow traffic; and,
- Investigate the use of street lights to replace the current 4 way stop.



Figure 13. Aerial map showing Cottonwood Bridge

Left: Intersection and bridge today - wide turning radii and 'pork chop' support high traffic speeds and limit pedestrian comfort and safety.

On street parking on the bridge

Expanded Corner Bulbs

Potential Public Art Location

Crosswalks - potential rail tie theme stamped asphalt or paint



Above: An example of a painted crosswalk on Bowen Island, BC.



Above: An example of a stamped asphalt crosswalk West Vancouver, BC.



Figure 14. Illustrative Plan: Cottonwood Bridge and intersection

Action 5: Complete the CP Rail Station Plaza improvements, and incorporate festivals and events

BIG MOVE ⑥

Continue to build on the public realm improvements at CP Rail Station in a way that reflects the industrial past of Railtown and by designing additional flexibility into the parking/plaza area. Reduce fixed elements, by defining the street and pedestrian area with bollards, special paving and on-street parking rather than curbs, for example, and incorporate street trees to help create shade and to frame the plaza. Programming of this space should occur by working with local groups to utilize the space on a regular basis for festivals, markets, events, etc.

When selecting furnishings identify those that have amenities for festivals - light standards with electrical hook-up options, areas to attach and hang lights and banners, for example. Select furnishings that enhance and celebrate the railway theme, and complement the rest of Baker Street.

During the planning process, stakeholders expressed a desire for this location to act as a transportation hub connected by rail, bus and other forms of active transportation. Plan for sustainable transportation and transportation options, by identifying key locations for:

- car share parking
- electric vehicle charging stations
- bicycle racks
- bike share

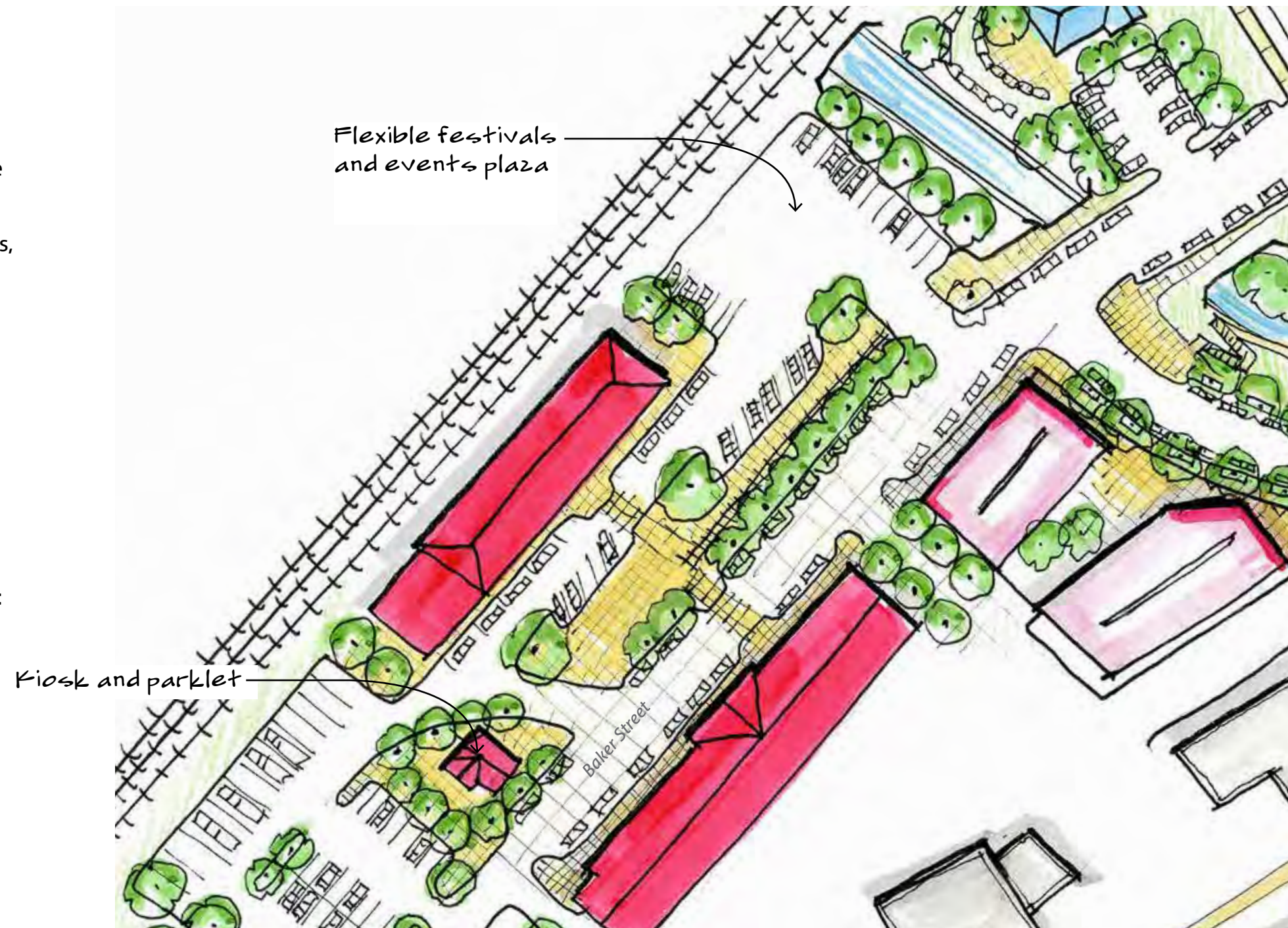


Figure 15. Illustrative Plan: Rail Yard Plaza

Action 6: Kiosk Parklet & Bus Stop

BIG MOVE ⑥

To the west of the CP Rail Station, formalize the parking layout. This is the view terminus of Rail Yard Plaza from Downtown Baker Street. Trees framing a small parklet with seating area could allow for seasonal and temporary activation of this terminus. The detailed design should consider use of this parklet as a place for a mobile ticket booth or, as identified by stakeholders, food truck parking during events.

In the long term, a kiosk building could be used to support local food systems by providing space for food and beverage services, a year round market stall, or for tickets and beverages during festivals and events. Detailed design should also take future bus service in Railtown into consideration, and needs such as curb alignment, seating, and sufficient queuing area so that when Baker Street is connected to Government Road a neighbourhood bus loop could be incorporated into one of the existing Nelson bus routes.



Above: A place for food trucks to park, with tree cover and seating would allow for seasonal activation of the Kiosk and Parklet Plaza.

Action 7: Reveal Cottonwood Creek

Create an inviting seating area adjacent to the CP Rail Station that better recognizes the presence of the creek. Incorporate tree canopy and seating for picnicking. Granite fines are recommended for ground surface treatment. Granite fines are more permeable to stormwater than paving, and provide similar programming opportunities to hard surface plazas.

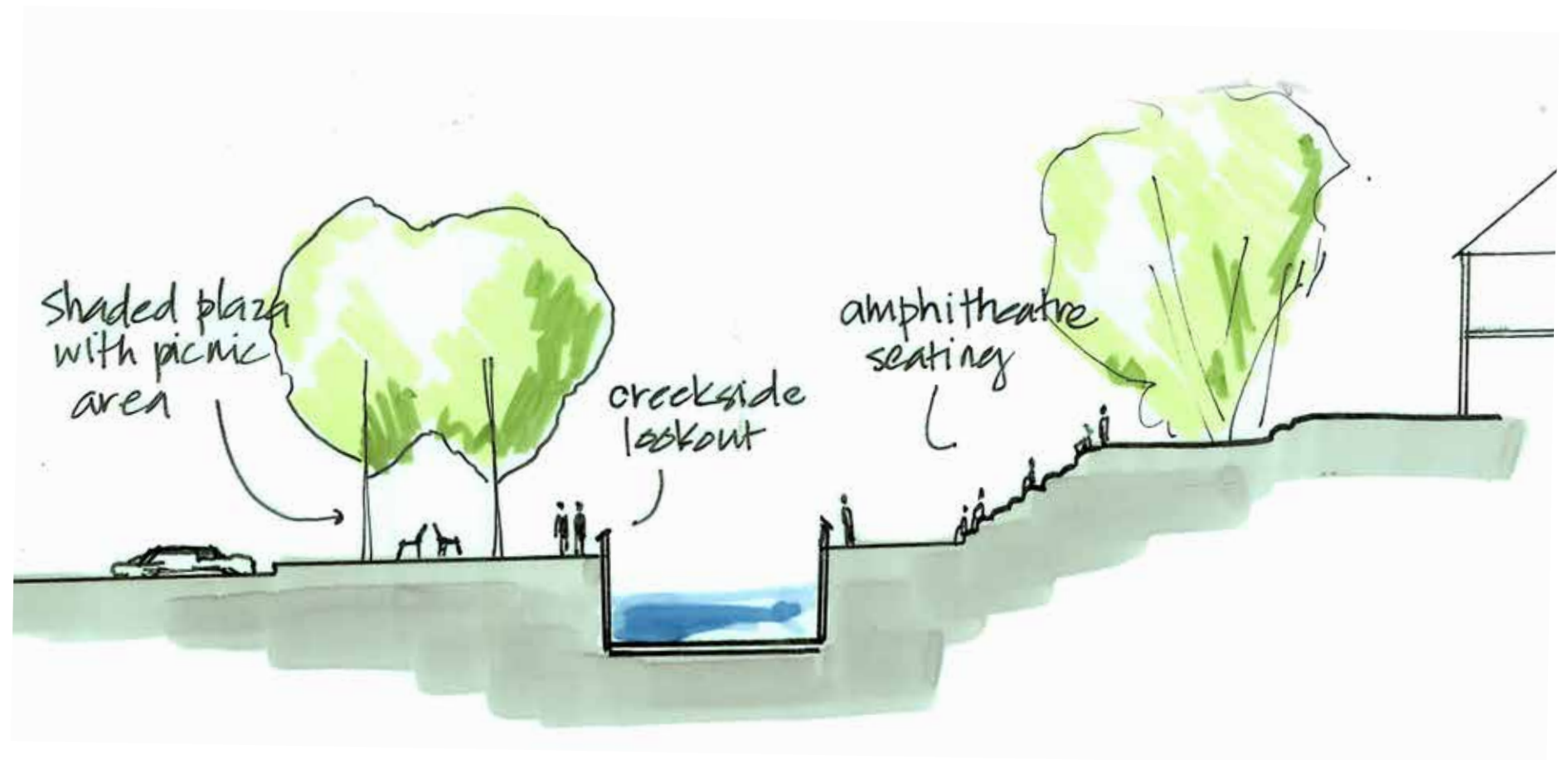


Figure 16. Section: Rail Yard Plaza to Superintendent's House Park

THE INDUSTRIAL PRECINCT

The Industrial Precinct includes 3 key projects:



Figure 17. Illustrated Plan: Industrial Precinct

Action 1: Maintain and Encourage Light Industrial Uses in Railtown

The Industrial Precinct is a valuable asset for Railtown and for the City of Nelson. It provides good jobs close to home, and the market study revealed that Nelson can expect increasing demand for industrial space over the next ten years (see the Market and Financial Analysis for Railtown memo, on page 68 in the appendix).

As a part of the Nelson Path to 2040 Sustainability the City of Nelson is already working towards attracting, retaining, and expanding businesses and investment in Nelson. The Industrial Precinct is a key area in Railtown to support the local economy.

A key sustainability strategy for Railtown is to support a local, resilient economy by maintaining the industry / job focus of Railtown while introducing new uses.

Developing Railtown into a vibrant and attractive neighbourhood is one way to make it a desirable place to live, work and incubate business. It is also important to maintain and foster existing light industrial uses while actively encouraging more light industries and other businesses and services that support light industry.

Some of the ways that the City can do this are through policy and incentives, process and promotion. A business assessment should be conducted to detail specific strategies and actions to support new businesses, however, some of the ways that the City might consider retaining and attracting businesses include:

- 1. financial incentives:
 - property tax / business licence discounts
 - subsidized space for a business centre offering workshops, supporting 'makers space' or other business incubation.
- 2. policy (expanding zoning "permitted use")
- 3. and, promotion:
 - directing new businesses and development applications to Railtown,
 - listing Railtown spaces and development opportunities with Nelson & Area Economic Development Partners,
 - including Railtown on economic development brochures and handouts and actively promoting Railtown at conferences and other events.



Three images above: Industrial uses in Railtown today.

Action 2: Establish Pedestrian & Cycling Connections

Through the industrial lands, establish a cycling and pedestrian connection using bollards and shade trees where possible.

Action 3: Government Road Improvements

Along Government Road, incorporate bicycle sharrows, as well as a sidewalk, street trees and rain gardens to infiltrate stormwater. Incorporate a shrub layer to create additional habitat and ecological value.



Example of a pedestrian area that is defined by bollards rather than a curb and sidewalk. For the pedestrian and cycling connection through the industrial area, an approach similar to this with movable bollards would allow for vehicles to drive through when needed.



Shrubs and coniferous planting in this raingarden provide song birds places of refuge, and pollinators use decaying logs for nesting. Coniferous trees add additional stormwater services by intercepting rainwater all year long. Deciduous shrubs add seasonal beauty and help gain public support. Maintenance requirements depend on detail design.

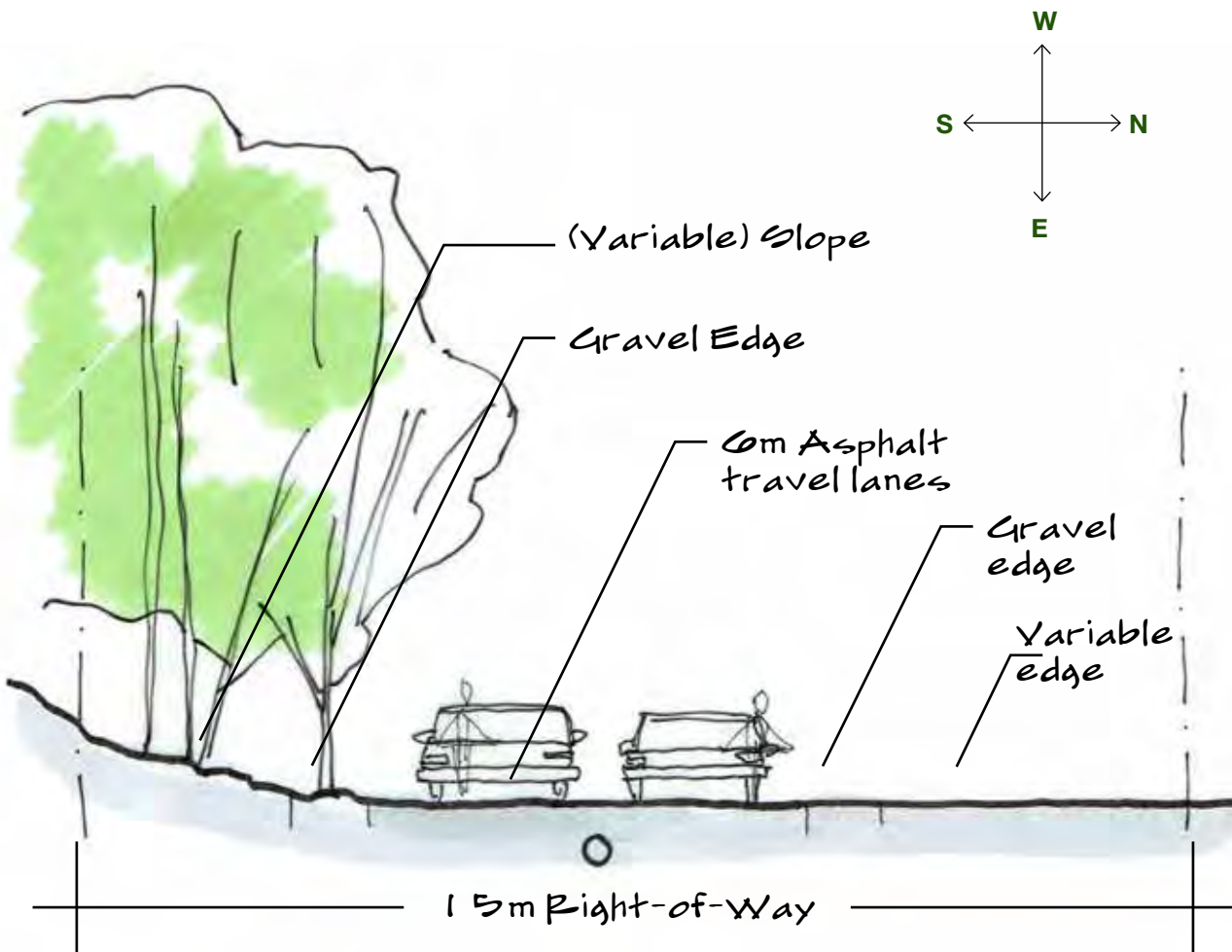


Figure 18. Existing Government Road Section

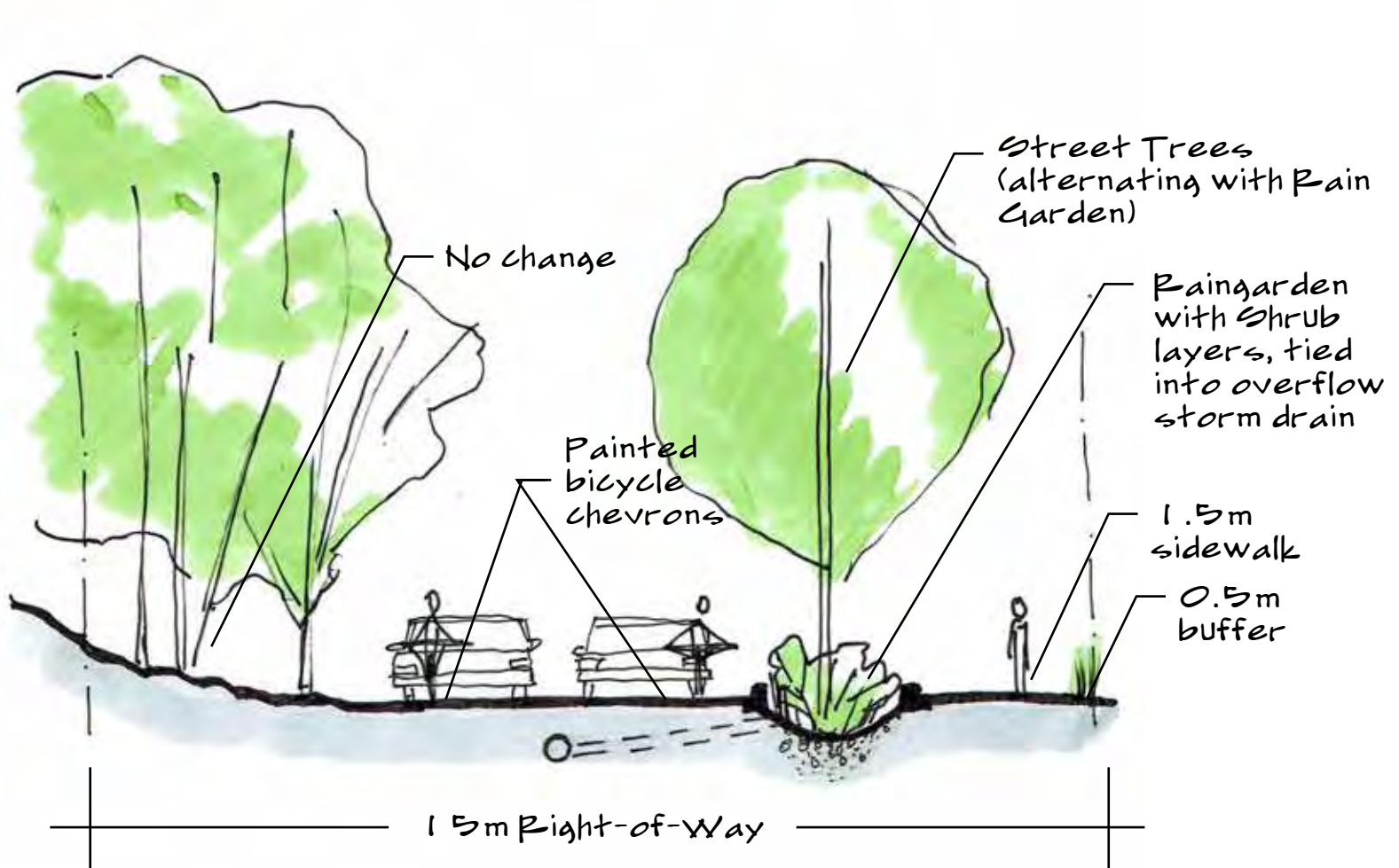


Figure 19. Proposed Government Road Section

MARKET PRECINCT

The Market Precinct includes 8 key projects:



Figure 20. Illustrated Plan: Market Precinct



Market Precinct is a hub for local culture, inter-generational connections, and ecology. It is home to Cottonwood Falls Park and two key community amenities: Cottonwood Market and the Japanese Gardens. These community amenities (described in more detail in Part 2: Neighbourhood Context, on page 12) will continue to hold a key role of shaping identity and culture in Railtown.

In addition to maintaining and enhancing these key amenities, open space strategies in the Market Precinct include improving the health of the creek, and creating better access through a creekside trail, providing additional programming for outdoor leisure and play, supporting food security and ecological design through stormwater integration.

The Market Precinct also offers key opportunities for the City to support the development of a variety of diverse housing options (including live/work, mixed-use multifamily apartment buildings and adaptively reused buildings) and to support programming for arts and culture by providing opportunities for community partnerships.

Action 1: Establish a Creek-Side Trail

The Creek Side Trail connects pedestrians and cyclists from Baker Street to the Market Precinct and Cottonwood Market. The trail includes a number of different strategies to create a complete trail as a way of overcoming the limited spatial constraints along Cottonwood Creek.

Some of these connections could be achieved in the short term through community based and City efforts, while others would not be able to occur until the owner/developer of the adjacent site decided to redevelop.

Cantilevered boardwalks that over-hang Cottonwood Creek would not require any land dedication from adjacent properties, and could be achieved in the short term. Incorporating planting such as tree canopy for shade, softening the edge of the creek using boulders, logs and shrubs to improve the creek habitat, and other public realm improvements adjacent to the creek should be encouraged and incentivised when the owner/developer chooses to redevelop.

Strategies to incentivize improvements could include density bonusing, community amenity contributions, public easement dedication upon rezoning, etc.

Detailed design of the cantilevered boardwalks should incorporate deck seating areas for gathering, and should be sensitively designed so that they do not detract from creek health.

When sites adjacent to the creek redevelop, the City should encourage and incentivise a multi-use trail to support active transportation and to establish this valuable connection between Baker Street and Cottonwood Market.

Bicycle racks should be incorporated at key destinations, including the market, and the Rod and Gun Club.

Action 2: Create Access to Nature through Play & Garden

Many stakeholders expressed a desire for nature play for children in Railtown. A nature playground adjacent to Cottonwood Market is proposed as an ideal location. Other programming opportunities include a public art sculpture for pollinators with the steep grass slopes surrounding the market turned into a native wildflower meadow, and an orchard garden.

Together with the market, these three projects would create a great community amenity for all ages and opportunities for partnerships between schools and/or youth organizations, ecological/environmental committees, and artists/arts organizations. A partnership could be formed with a local food organization, like Nelson Food Cupboard, to collect and distribute orchard produce.

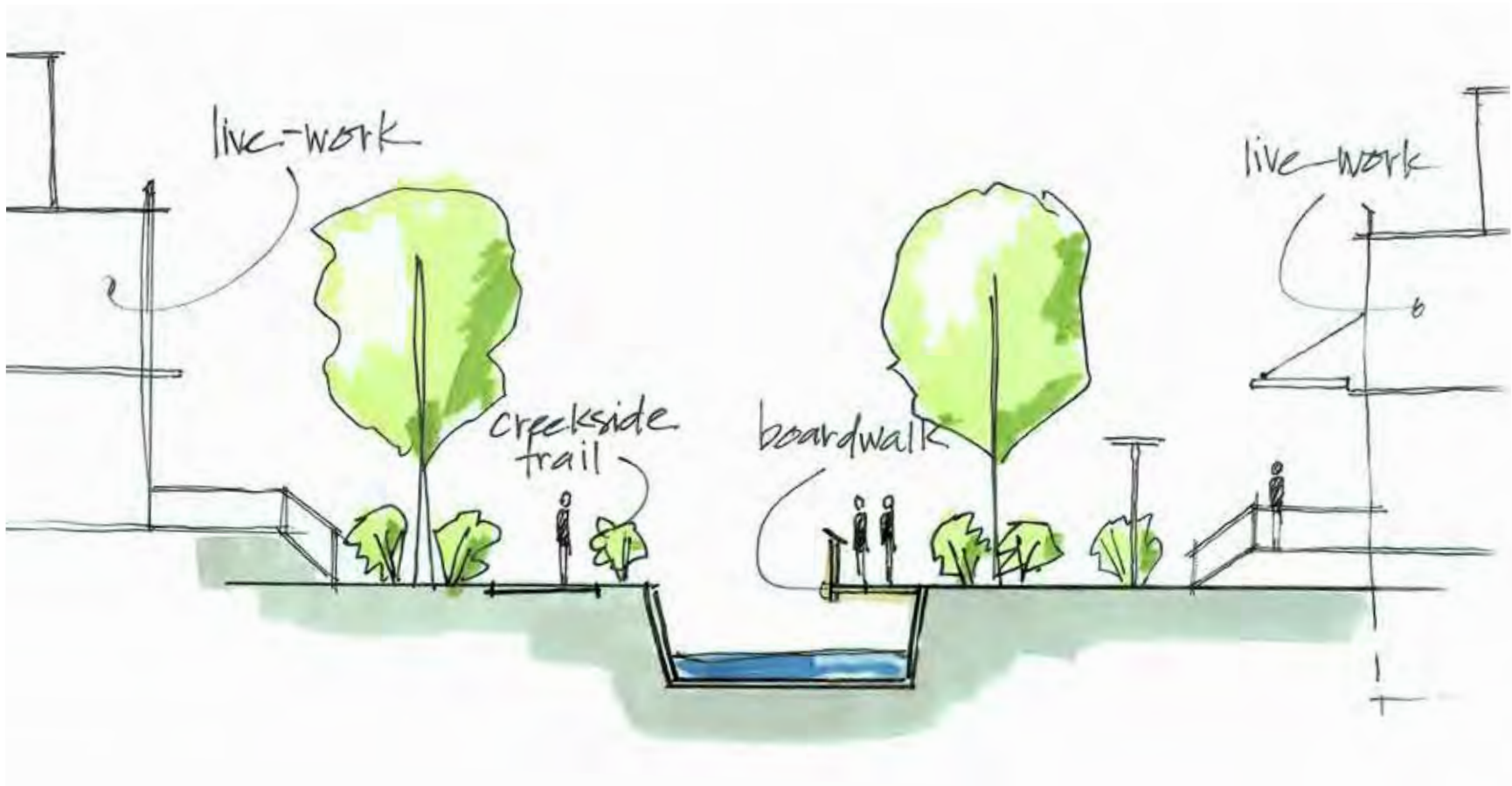


Figure 21. Creek section, adjacent to Market Precinct Live-Work Buildings



Above: “Insect Hotel” is a public art commission and a pollinator garden in Oak Meadows Park, Vancouver, BC.. The pollinator garden was installed by high school students, in a project lead by Environmental Youth Alliance.

Action 3: Introduce Mixed Use and Multifamily Buildings

BIG MOVE 8

Integral to the successful redevelopment of Railtown is the introduction of mixed-use residential. This is a key objective of the Sustainable Waterfront and Downtown Master Plan and is critical to augment Nelson’s limited housing supply. Many stakeholders expressed the desire to see housing in Railtown.

Mixed-use multi-family apartment buildings provide affordable housing options within close proximity to downtown Nelson, and single level units which are well suited to seniors.

Existing buildings within Railtown should be explored for adaptive reuse for residential/retail/live-work opportunities. This could provide more affordable rates than new build.

There are a number of sites that the City owns within Railtown and therefore can control the type of development that occurs. The City plays an important role in the redevelopment of these sites, as they will likely act as a catalyst for the redevelopment of other sites within Railtown into mixed-use residential.

Action 4: Special Development Area

A key City-owned site is located adjacent to Cottonwood Falls Park, the Japanese Gardens, and Cottonwood Market. Identified as a Special Development Area, it is proposed that this site undergo further analysis to determine the best future use, and built form.

This particular site has been identified through stakeholder and public engagement to be of particular importance due to its relationship with Cottonwood Falls Park, the Japanese Gardens and Cottonwood Market. Further analysis is needed to determine the future physical and programmatic relationship of this site to these key community amenities, and to ensure sensitive integration.

Action 5: Establish Cottonwood Lane

BIG MOVE 4

Another key site for mixed-use residential is the Nelson Leafs Bottle Depot. The establishment of Cottonwood Lane between the bottle depot site and the Special Development Area is proposed in order to enhance the entry to Cottonwood Falls Park and Cottonwood Market from Railway Street. This is the primary pedestrian entry to a key site in Railtown.

Future development should incorporate public realm elements that create a place for shops to spill out into the street and for people to sit and gather. Opportunities for the lane to celebrate and enhance the presence of Cottonwood Creek and the bridge through design should be explored.

Cottonwood Lane is a pedestrian lane that acts as a street front with active ground floor uses.

Action 6: Formalized Parking/Plaza

With the 125th year anniversary of the creation of the first power plant in the Kootenay region coming up in 2021, the City should aim to improve and celebrate the site where it was originally located.

As a meeting and events hall that serves the community of Nelson, the Rod and Gun Club is a key community facility. The club is located close to where the first hydro power plant in the Kootenay region (1896) was situated, and remnant footings can still be found here. Additionally, from the rear-side yard, there is a great vantage point overlooking Cottonwood Falls. A number of improvements are proposed to celebrate these historic and ecological features and to further enhance the club as a key community amenity.

Currently, the entry to the club is marked by a parking area with little formal structure. It is proposed that the parking area be formalized and turned into a flexible parking / plaza area. This parking/plaza should include flexible outdoor space that could be used during events as a patio/events space for gathering.

To support active transportation and a carbon neutral neighbourhood, bicycle racks should be included in the plaza (these will also serve Cottonwood Market and Cottonwood Park destinations), and a number of key parking spaces should be earmarked for use as car share parking and electric vehicle charging stations



Above: Rod and Gun Club front plaza/parking area today

Action 7: Historic Marker and Falls View Park

Adjacent to the Rod and Gun Club, formalize paths and construct a deck and/or patio overlooking the falls. These should be designed to provide an accessory space to events being held within the club, such as receptions, and to provide park visitors with a comfortable and inviting place to enjoy one of the best vantage points of Cottonwood Falls.

Footing remnants of the original hydro power plant should be revealed and the history of Raitown celebrated and recognized in this site. This initiative could involve collaboration with an artist or community group to identify, reveal and celebrate the historic remnants in an appropriate way (signage, artistic intervention, landscape intervention, etc.).

Grant funding may be available for these through Heritage BC, in particular if the improvements are aligned with a significant date, such as the 125th Anniversary of the establishment of the hydro power plant coming up in 2021.



Above: Remnants of a foundation - possibly linked to the hydro power generation plant.



View of the falls from behind the Rod and Gun Club.



Some of the existing buildings in Raitown could provide good structural framework for adaptive reuse.

Action 8: Railway Street Improvements

In the Market Precinct, frame and define Railway Street by incorporating street trees, formalizing on street parking, and incorporating furnishings to create a comfortable pedestrian experience.

Support a diversity of transportation options by incorporating bicycle infrastructure (bicycle racks, and dedicated and/or shared use bike lanes), and a bus stop incorporated into Government Road at Railway Street.



Above: The curb-less street design in Olympic Village in Vancouver, BC uses a variety of paving treatments, as well as raingardens and street trees to define the pedestrian realm.

LIVE-WORK PRECINCT

The Live-Work Precinct includes 8 key projects:



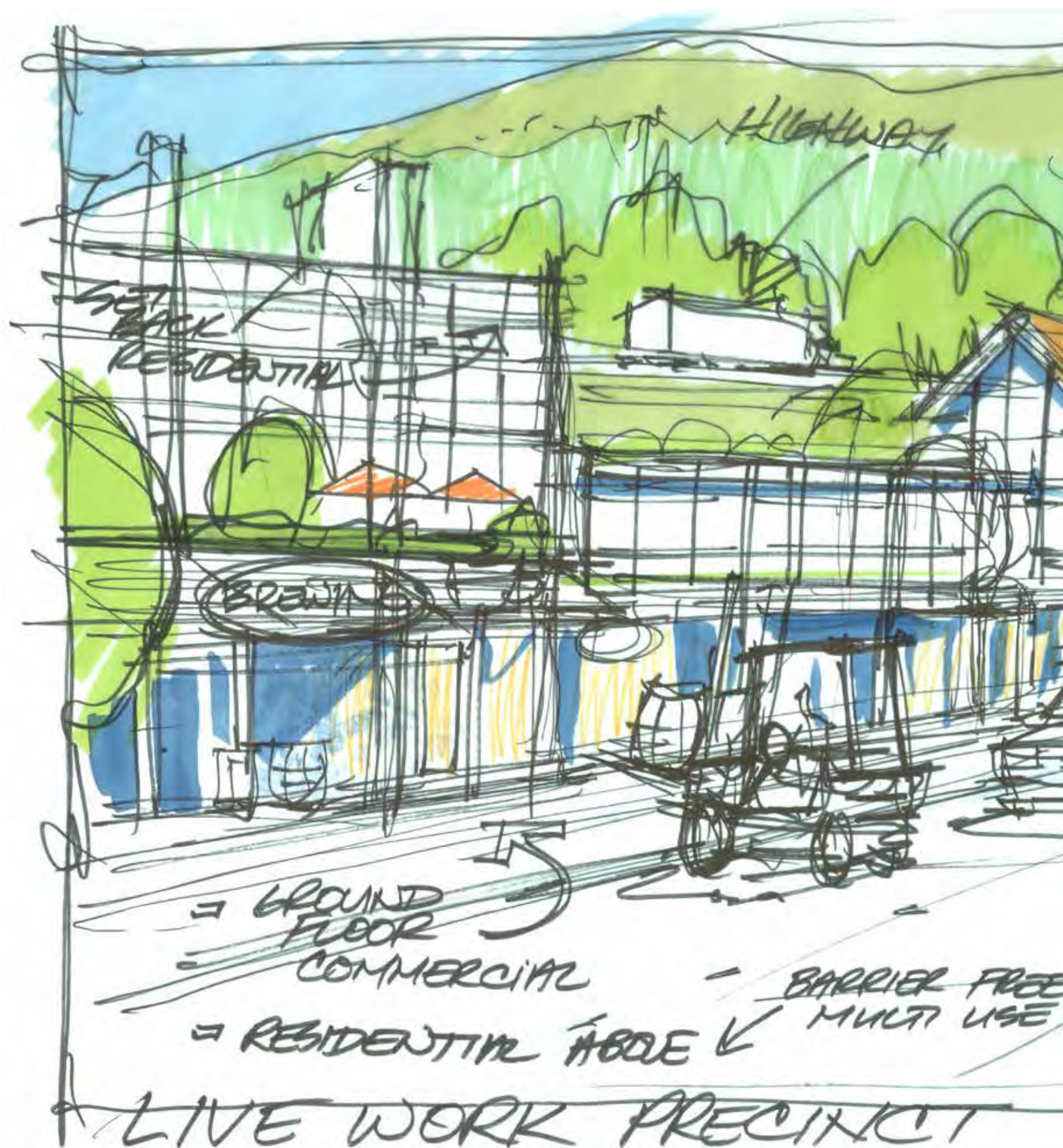
Figure 22. Illustrated Plan: Live-Work Precinct

The Live-Work Precinct proposes to complete the street network by connecting Baker Street to Government Road, and to provide a variety of diverse housing options close to downtown Nelson.

Contamination from former industrial uses of the site have been remediated, and Certificates of Compliance have been issued. However, these former uses continue to preclude ground floor residential options.

The market analysis suggests that Nelson could likely expect an additional 11 acres of new light industrial space demand over the next 10 years. This precinct would be an ideal location to attract light industrial and office users that would fit well with retail and residential neighbours.

As illustrated in the perspective sketch, separate residential entrance is recommended. This provides flexibility of ownership and occupancy by allowing different ground floor and upper level occupants.





Action 1: Baker Street connection

BIG MOVE ⑤

The Baker Street connection completes the street network by connecting Baker Street through to Government Road. It is proposed that the streetscape reflect the special character of Railtown and the sites' industrial past through street design elements. This includes the use of "Woonerf" design principles to create a shared street.

"Woonerf" is a Dutch concept that translates to 'living street'. It originated in the 1970s as a way of reclaiming the street for use by residents for gathering and socializing and children to play, etc. Residents would put planters and other objects in the street in order to slow down traffic. Today, the word woonerf is used in urban design, mean a shared and traffic calmed street. Important features of a woonerf include the use of street furnishing, such as bollards, special paving, light fixtures, street trees and other furnishings in place of a conventional sidewalk, curb and gutter approach.

Bus service should be provided throughout Railtown. The Baker Street connection would allow one of the existing neighbourhood bus routes to make a loop through the neighbourhood connecting Baker Street Live-Work Precinct, Market Precinct, and back to the Rail Yard Precinct.

In the interim, stakeholders recommended that this site could be used as parking for campers. This would be a great way to bring additional life to Railtown, and tourist lodging close to the downtown. The challenges associated with servicing and infrastructure, however, would need to be overcome and could preclude this as an interim use.



Above: An example of townhouses fronting onto a shared use street.



Above: Woonerf inspired street design, with permeable paving adjacent to townhouses and multifamily apartments.

Action 2: Precinct Plaza

Each neighbourhood precinct should provide these as key amenities to residents and visitors alike. As "third places" they contribute to social and community sustainability goals. The plaza should be designed to support patio seating and food services in order to support adjacent businesses and to create a social place for people to meet and spend time together in public.

Action 3: Precinct Park

As a small neighbourhood serving park, the park should incorporate passive uses such as shade trees, picnic and lawn area and trails. A key sustainability objective is to also ensure that parks provide quality access to nature and habitat. Indicator species of healthy ecosystem such as song birds are a good way to design for ecology and habitat, because good song bird habitat is also good habitat for many other species.

The Live-Work Precinct park concept incorporates the principles of song bird habitat, including:

- Provide cover and nesting areas by incorporating a mixture of deciduous and coniferous trees, with tiered layers of shrubs;
- No-mow areas. Mowing directly adjacent to trails creates a tidy appearance in parks (one of the 'cues to care' identified by environmental psychologist Joan Nassauer), while no-mow areas beyond provide old field habitat and support birds of prey. A good management program for no-mow areas is to mow them only once every three years;
- Work with local community and/or environmental groups and youth organizations to design, build and incorporate nesting boxes.
- Provide access to water by incorporating swales and a wetland for stormwater management. Incorporate ways for people to engage with these special habitats, such as boardwalks and interpretive signage.



Above: An example of an easy way to integrate habitat design into parks - the mown edges appear tidy, while the 'no-mow' areas create old field habitat that supports birds of prey.



Bird boxes are 'cues to care' in ecological landscapes. These cues have been shown to increase support and desire for ecological landscapes in otherwise urban settings.



Incorporate a boardwalk to allow people to experience wetland areas without interfering with it.



Meadow with gravel path and mown edges on Bowen Island, BC.



Another way to create habitat and engage the community is through the creation of pollinator gardens. This pollinator garden in Oak Meadows Park, Vancouver, BC was created through a partnership between the Environmental Youth Alliance (EYA) and the Vancouver Parks Board. It was installed by high school students, lead by EYA.



An example of a stormwater swale and park feature, in Trout Lake Park, Vancouver, BC. The children's sand and water play area empties into this swale.



Sanctuary Ponds in Vancouver, BC is a stormwater pond that incorporates bird habitat and recreation. Complex shrub layers of native plants, and a mix of coniferous and deciduous tree canopy support birds. Boardwalks, trails and even fishing provide education and recreational opportunities.



A very simple path treatment through a meadow adjacent to Killarney Lake, BC.

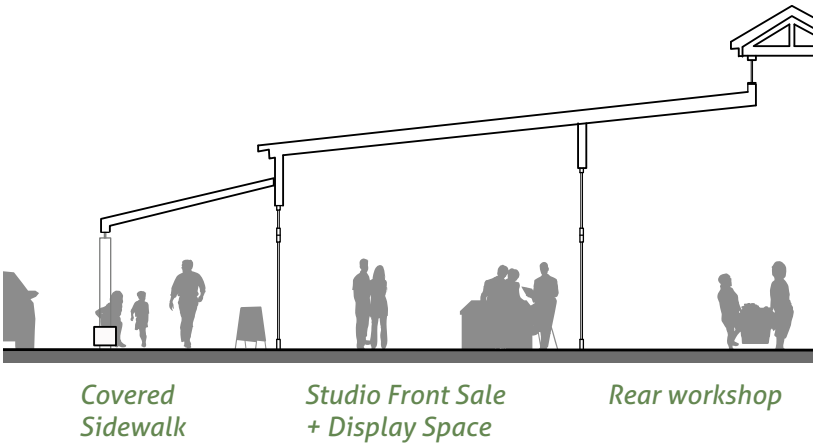


A boardwalk provides access and education to visitors of Banff national park in Alberta.

Action 4: Live - Work Townhouses

The historic industrial land uses in Railtown preclude ground floor residential development in this precinct, however, with the expected continued demand and presence of light industries in Railtown, live-work townhouses and mixed use apartments with ground floor studio/retail/light industrial space would provide a good option for Railtown’s Live-Work Precinct.

The live-work precinct concept incorporates three-storey town houses and four-storey mixed use apartments. Townhouses have ground floor parking/studio/retail space. Separate entrance to each of these spaces will allow for separate occupancy of the studio and split level townhouses above, making it a more affordable and viable development form from a market perspective. Incorporating off-street parking into the site design will allow greater flexibility of ground floor townhouse uses, as the parking area could become expanded studio/retail space.



Section illustrating the retail / workshop relationship in the Railspur District of Granville Island. Each studio provides a small retail front, with workshops in the rear that are visible to the public. This is just one of many ways that the ground floor studio space could be organized to provide both retail and studio/workshop functions.



Townhouses with tuck-under parking accessed from the rear.



Townhouses with a woonerf inspired shared street.



Townhouses with exterior stairs for access to upper level residential suites allow separate occupancy between ground floor studio/retail/ commercial spaces and upper level residential units.

Action 5: Mixed-Use Apartments

Apartments in the Live-Work Precinct are also mixed use with the ground floor being reserved for tuck under parking and commercial/retail/studio/work space. It is expected that this form of housing in Railtown would not be in market demand in the short term, however it is recommended that when the market demand does arise, this form of development should be encouraged as it would provide a diversity of housing and affordable housing options in close proximity to the downtown. The Market and Financial Analysis for Railtown found that Railtown could expect to have approximately 140 new units over the next ten years (see Market and Financial Analysis on page 68 in the appendix).

The section illustrates the form of apartment being recommended, including tuck-under parking in the rear, with commercial/retail/studio space along the front to activate the street and pedestrian realm.

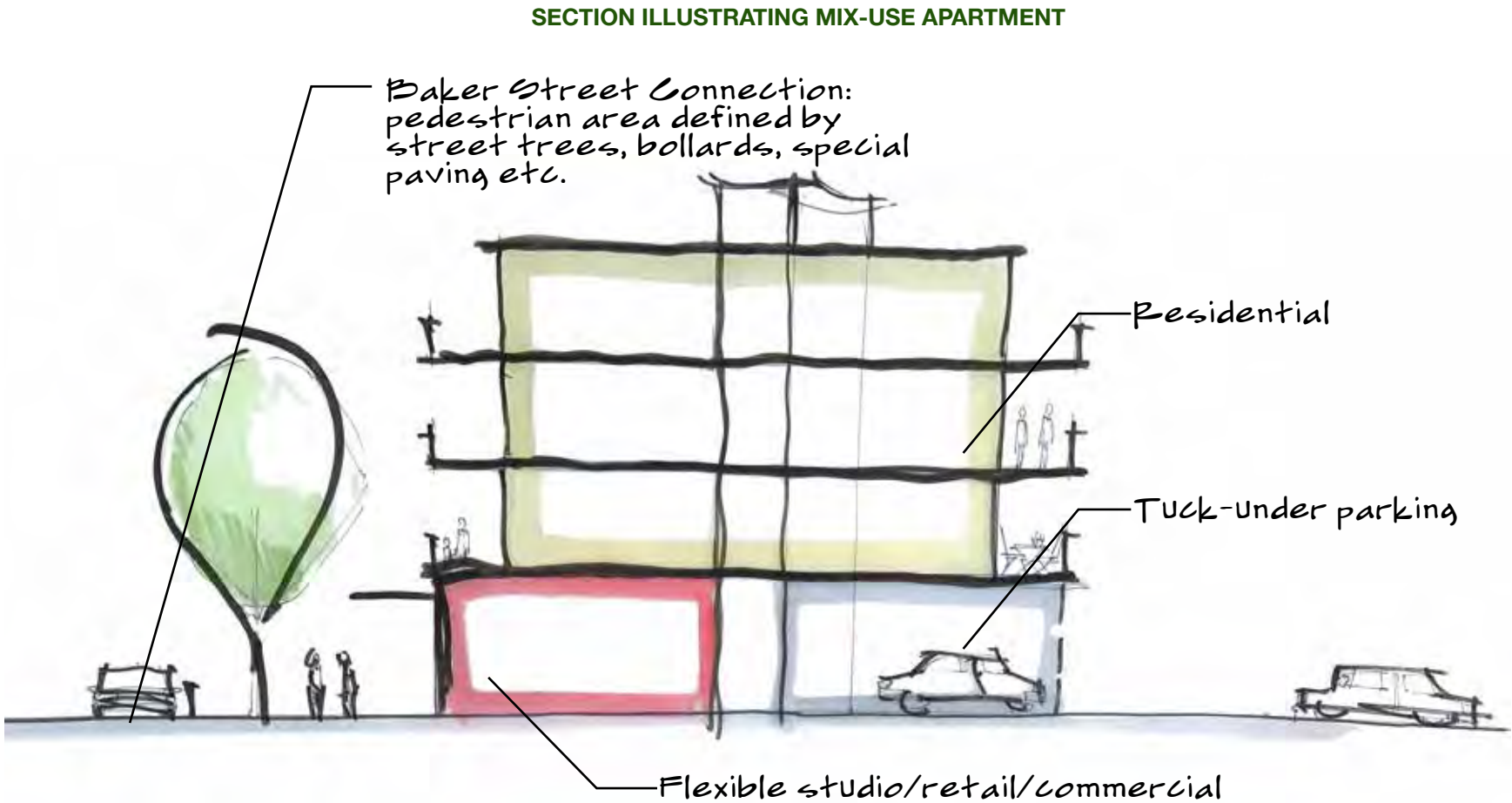


Figure 23. Live-Work Precinct Mixed Use Apartment section

Action 6: Establish Pedestrian & Cycling Connections

Plan for a pedestrian and bicycle connection through the live-work precinct into the industrial lands using bollards and shade trees where possible.

Action 7: Government Road Improvements

Along Government Road, incorporate bicycle sharrows, as well as a sidewalk, street trees and rain gardens to infiltrate stormwater. Incorporate a shrub layer to create additional habitat and ecological value. Refer to the Industrial Precinct street sections, which illustrate these improvements in more detail.

Action 8: Celebrate the Gateway

Baker Street at Government Road will become a new gateway into Nelson. This corner should celebrate this moment and signify a transition into the City through urban design and landscape architecture. Elements of the gateway could include:

- traffic calming;
- street furnishings for pedestrians and cyclists;
- planted boulevards, with street trees and flowering perennial and/or shrubs;
- a shift in ground surface (special pavement);
- corner plazas that support active adjacent ground floor uses (cafe, restaurant etc.); and,
- public art.

HERITAGE COMMERCIAL PRECINCT

The Heritage Commercial Precinct includes 11 key projects:



Figure 24. Illustrated Plan: Heritage Commercial Precinct

*Mews are intimate pedestrian lanes that act as streetfronts. Rail-town proposes two pedestrian mews. See page 36 and 51.

Overview

The Coke and Gasworks Heritage building (1900) with granite masonry from locally sourced materials inspired the public realm character of the Heritage Commercial Precinct.

The key directions in this area are to:

- enhance the public and pedestrian realm,
- introduce residential and office uses, while maintaining commercial / light industrial uses,
- provide flexible zoning to allow for businesses like The Art of Brewing to have additional retail and food service options (like tasting rooms, for example) and storefront seating areas; and,
- better create an inviting and social public streetscape.

The concept remains true to the existing historic industrial character by defining pedestrian areas using bollards and paving treatment. This urban industrial character is paired with design directions that provide access to nature. Raingardens integrate stormwater management into the streetscape along Railway Street, and the edges of Cottonwood Creek improve ecology as well as public access.



Illustration showing proposed plaza, parking, raingardens, and street trees with bollards defining the pedestrian area.

Action 1: Introduce Office - Commercial Uses

Encourage office uses, and with redevelopment utilize the grade change between Railway Street and the industrial area to incorporate tuck-under parking and to improve the relationship of the building to the sidewalk. Also incorporate a small corner commercial/retail for cafe or other active ground floor uses at the corner of Railway Street and Baker Street.

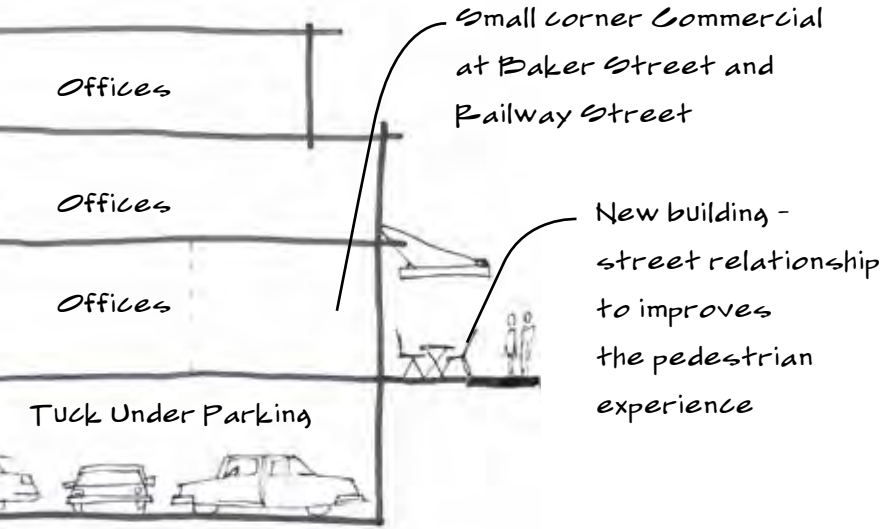


Figure 25. Section: Railway Street with adjacent office uses

Action 2: Improve Railway Street

BIG MOVE ③

- Where possible along Railway Street, incorporate:
- rain gardens, street trees and boulevard planting,
 - pedestrian seating, plazas, and sidewalks,
 - bicycle sharrows for shared use streets,
 - traffic calming devices such as corner bulbs and narrow lanes that do not compromise movement of large vehicles and industrial traffic,
 - better defined on-street parking.



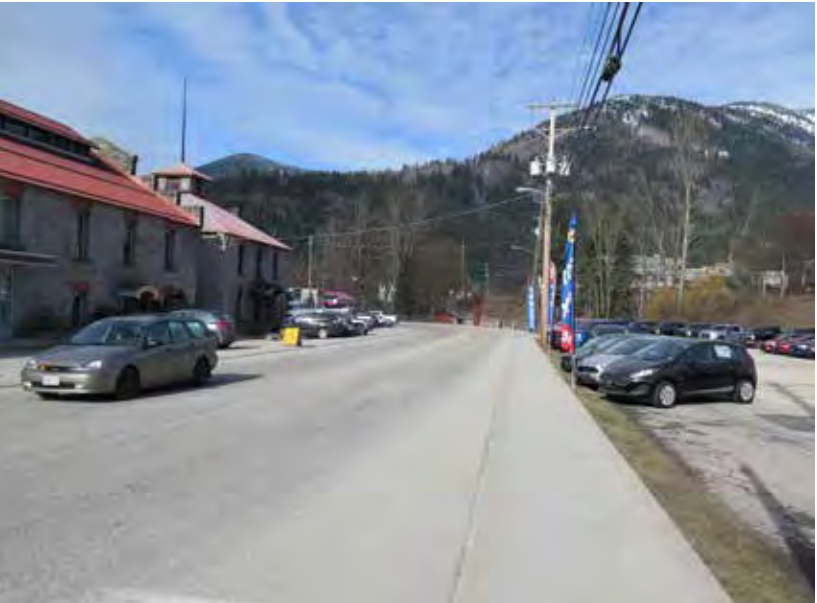
Figure 26. Sidewalk boulevard section



View of Railway Street Today: a wide roadway with little street definition.

Action 3: Create Coke and Gasworks Plaza

Incorporate a public plaza to create a public destination adjacent to the historic Coke and Gasworks building. Design the plaza to complement the industrial and historic character.



View North-West of Railway Street at the Coke and Gasworks Building and the Ford dealership.

Action 4: Establish a viable use at Coke and Gasworks building

Explore the use of the Coke and Gas Works building as a gallery/exhibition/event space, as one possible use of this building.

Consider extending support for arts and culture and leveraging existing assets: the City owns a number of sites in Railtown that could provide the opportunity for a vibrant arts and cultural festivals/events in Railtown.

The City could include local artists in the design of local infrastructure improvements, or offer small grants to support local non-profits or community groups in organizing and hosting festivals.



The City owned Coke and Gasworks building is in good repair and could be programmed with events without requiring any significant renovations or improvements.

Action 5: Cottonwood Creek Improvements

Soften the grade between Railway Street and the Creek to create better visibility of the creek from Railway Street, and incorporate shade trees, boulders and logs, ecological planting, paths and gathering areas adjacent to the creek.



View of Railway Street near the Cottonwood Bridge at Baker Street.



Figure 27. Section: Cottonwood Creek Improvements at Railway Street at Baker Street.

Action 6: Establish a creek side trail

Future redevelopment of the Ford Site should incorporate creek side improvements, including a multiuse trail connection for cyclists and pedestrians.

The trail should incorporate shade trees, softened creek edges using boulders and logs where possible, and ecological planting to support pollinators and birds.



View of Cottonwood Creek adjacent to the Ford Site today.

Action 7: Create a creek side boardwalk

Cantilevered boardwalks that over-hang Cottonwood Creek would not require any land dedication from adjacent properties, and could be achieved in the short term. Design of the boardwalks could explore the way in which a boardwalk structure could help to shade the creek, and thereby keep water temperatures low and oxygen levels high during hot summer months.

Refer to the illustrated section in the market precinct.

Action 8: Introduce Mixed Use/Multifamily

The City owned site adjacent to the Coke and Gasworks building, as well as the Ford site have been identified as mixed use multifamily. Redevelopment of the City site through a request for proposals process would be a great way to introduce apartments in Railtown and to expand the diversity of housing in Nelson. It is important to note this is not a proposal to redevelop the Ford site, but rather indicates that the City would consider allowing mixed use multifamily as a new use when the owner chooses to redevelop the site.

The market analysis found that the low-rise multifamily apartment building on the City owned site provided the most viable development scenario (see Railtown Financial Analysis in the appendix).



Figure 28. Section: Creek side trail

Action 9: Establish Gas Works Lane & Mews

BIG MOVE 4

Upon redevelopment of the City owned site identified as mixed-use multifamily, the activation of the lane should be achieved by designing it in a way that celebrates the industrial past of the site, and allows it to offer flexible uses as a woonerf (shared street that allows for multi-modal traffic as well as a public space). The laneway should provide businesses area to spill out and use this space as work space and/or patio space, while also acting as a functioning laneway for deliveries.

Ensure good ground floor relationship in the laneway between the Coke and Gasworks building and the new multifamily building. This area could be designed as a mews and would exclude traffic.



Precedent for the mews between the new multifamily residential building and the adjacent Coke and Gasworks Building.

Action 10: Create interim market parking

In the interim, the currently vacant City owned site could be used seasonally for parking throughout the summer when the Cottonwood Market is in operation.



View of the City owned site today.

Action 11: Boulevard Improvements

Incorporate rain gardens along Railway Street adjacent to the Ford Site.



Raingarden details can add to neighbourhood character.

Pedestrian Lanes and Mews are intimate pedestrian lanes that act as streetfronts. Gasworks Mews would create a seamless public realm plaza and transition between Gasworks Lane, the Coke and Gasworks Building and new development. Together, these would all balance pedestrians, vehicle access and service functions.

ILLUSTRATIVE PLAN

This is an illustrative site plan for Railtown, showing the neighbourhood with all of the actions incorporated into one vision.



Figure 29.

Illustrated Plan

PART 4: IMPLEMENTATION FRAMEWORK

One of the greatest challenges to realizing the vision for Railtown will be creating the right conditions for implementation success. This environment needs to facilitate action by three essential implementation partners: **residents and community organizations, the business community, and government**. All three need to work together in a coordinated way, as well as having unique and important roles:

- Residents support businesses and events in Railtown, and get active in Railtown parks and public spaces, including contributing to environmental restoration and public realm improvement projects
- Businesses: pursue business opportunities in Railtown, working with the City to attract locals and visitors, and contributing to events and improvement projects;
- The City of Nelson enables and encourages business and resident activity through policy and regulatory changes, coordination, and investment in capital projects as well as programs

While the Railtown Sustainable Neighbourhood Action Plan identifies public realm projects, it is not intended to be implemented only by the City. Instead, business and real estate development will largely be a market driven process, supported by strategic public investments and an engaged community. Success will depend on close coordination between City departments and other partners to harness the full potential of Railtown.

The adoption of the plan is not the end of the project; it is the beginning of many tasks, each of which will guide Railtown toward this long term vision. In order to be successful, it must be well resourced with both time and funding. In this context, the Implementation Framework is an important resource that identifies specific actions, programs, partnerships, required resources, funding sources, timing, roles and responsibilities. The

Implementation Framework is intended to be a living document that is regularly updated.

Generally, a phased approach is suggested for implementation. First, use low-cost approaches to extend and link current interest, work, and activity in the Rail Yard, Heritage Commercial and Market precincts and create momentum near Cottonwood Creek. This will enhance revenue streams for the City and other landowners, help establish the value of the area, and make development in the Industrial and Live-Work precincts more attractive. When the owners of the properties in those precincts begin to plan and execute development, improvements can be made to neighbourhood-wide circulation and more substantial public realm investments can happen as development proceeds.

The Framework is built around a four-step process to create and sustain momentum:

1. **Enable:** The City enables action by removing policy and regulatory barriers to change, and coordinating action by all partners.
2. **Encourage:** The City encourages action through incentives, and works with partners to facilitate their participation.
3. **Engage:** Partners engage in easy, inexpensive early initiatives to spark community interest, pilot new ideas, and demonstrate success – this success creates support for larger public and private investments:
 - Low-cost public events and initiatives that get businesses, residents and visitors into Railtown;
 - Projects that leverage existing assets to create revenues for local businesses and/or the City (as well as potentially community organizations); and then
 - Projects that involve more significant investment.

4. **Excite:** Partners and the community remain engaged, and spread the word, further exciting the community at large and building more momentum.

Within that process, the following principles will help drive success:

1. **Success breeds success:** ensure that the first projects are easiest to do, have broad support, and create the biggest change based on resources.
2. **Involve everyone, exclude no one:** the spirit of Railtown vitalization should include every neighbour, stakeholder and all businesses.
3. **Synergize projects:** each project's funding, partnerships, and resources should be combined with others if possible to create the biggest physical, social and economic advancements.
4. **Encourage small steps to make big change:** larger projects can be combined with smaller projects that collectively define significant changes.
5. **Leverage funding:** the City of Nelson should leverage their own funding with businesses, community members, other funders, the provincial government and the federal government.
6. **Prepare the ground work:** assess the capacity of utilities and others to support development in Railtown and provide incentives and clear directions for infrastructure upgrades.
7. **Monitor and improve:** evaluation of projects will create a foundation for constant improvement.
8. **Communicate results:** each success and report should be conveyed to the community so that they see and hear about changes.
9. **Recognize contributions:** the "heavy lifting" completed by few or many should be recognized with awards and thanks.

Implementation Table

Precincts Legend

LW	LIVE/WORK
RY	RAILYARD
HCOM	HERITAGE COMMERCIAL
IND	INDUSTRIAL
MKT	MARKET

	BIG MOVE projects
	public sector projects
	private sector projects
	joint projects

NDCC	Nelson & District Chamber of Commerce
City	City of Nelson
CDC	Cultural Development Committee
NAEDP	Nelson & Area Economic Development Partnership
NDAC	Nelson & District Arts Council

Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding	
Short Term Priorities (1-3 yrs)								
Enabling Priorities (1-3 yrs)								
1	update OCP to incorporate supporting policy	align formal policy with Railtown SNAP to enable development	ALL	City	local businesses, residents, NGOs, agencies	1-3 yrs	Development Services work program	City
2	update City development bylaws	align bylaws with SNAP to enable development; explore smaller units sizes as a way to achieve more affordable housing; update permitted uses to allow for greater variety of uses (as identified on page 34 of the SNAP)	ALL	City	land owners, developers	1-3 yrs	Development Services work program	City
3	investigate development incentives i.e. revitalization tax exemption program, bonus density, etc.	incentives could be provided for new development, adaptive reuse of existing buildings, façade improvements, affordable housing, green infrastructure, senior's housing, accessible housing, electric vehicle charging stations; car share/bike share services, community composting, etc.	ALL	City	land owners, NDCC	1-3 yrs	Development Services work program	City
4	develop and implement business plan for City-owned sites; service sites in prep for land sale (p.10, A)	develop plan for coordinated tenanting, development, and/or programming of City-owned sites, in order to build momentum in Railtown	ALL	City	NDCC, local businesses, developers, arts, innovation, environmental and recreation organizations	1-3 yrs	\$33,100	City
5	review economic development/marketing function in Nelson	explore opportunities for enhancing economic development/marketing activities in Nelson, with a focus on Railtown	ALL	City	NAEDP, NDCC, Community Futures, DMOs, KAST, Imagine Kootenay, RDI, CBT	1-3 yrs	TBD	City
6	green infrastructure	develop green infrastructure design guidelines requirements to achieve incentives i.e. green roofs, solar hot water panels, photovoltaic panels, heat pumps, district energy, car share, electric vehicle charging stations, organics composting, etc.	ALL	City	local business/property owners	1-3 yrs	Development Services/Public Works work program	City; infrastructure funding through grants or loans for retrofits

Table 2. Implementation Table

Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding	
Infrastructure Requirements (1-3 yrs)								
7	water main upgrade (p.10, B)	adjacent to CPR Station/freight shed	RY	City	1-3 yrs	\$15,000	City	
8	bridge upgrade (p.10, C)	upgrades are required to the bridge on Silica Street that provides the main access to the market and the bottle depot	MKT	City	1-3 yrs	\$140,000	City	
9	sewer main servicing plan (p. 10, D)	proper layout and servicing plan for sewer main upgrade/new sewer lift station	LW	City	1-3 yrs	Public Works work program	City	
10	Baker Street pedestrian improvements (at the Hwy 3A/Baker St intersection) (p.10, E)	work with MOTI to increase pedestrian safety: paint crosswalks, remove right turn option, construct corner bulges, explore use of streetlights/ roundabout, paint parking stalls on bridge	RY	MOTI, City	1-3 yrs	repaint cross walks \$1500; corner bulges \$65,000; remove right turn option \$15,000; install streetlights \$150,000	City, MOTI	
11	interim Railway Street improvements and pedestrian/cycling link from Baker Street to Cottonwood Falls Park (p. 10, F)	formalize parking and carriageway edges along Railway, especially adjacent to the Ford site and Coke and Gasworks building; paint crosswalks, on-street parking and designated and/or shared use cycling lanes; enhance/formalize existing trails/pathways	RY, HCOM, MKT	City	adjacent land owners	1-3 yrs	\$65,000 corner bulges; \$15,000 paint cross walks; \$30,000 shared use cycle lanes; \$25,000 enhance existing trails	City
12	interim Government Road improvements (p.10, G)	add shared use cycling lanes	LW, IND	City	1-3 yrs	\$50,000	City	
13	upgrade access to Railtown via Rosemont tunnel (p.10, H)		ALL	City	1-3 yrs	\$90,000	grants	
14	demolish City-owned houses (p. 10, I, J)	demolish the vacant house adjacent to the market and the house immediately across the creek; prior to demolition of the two houses on Railway Street obtain a financial feasibility analysis for restoration	MKT	City	1-3 yrs	(1) demolition of two City owned houses closest to Cottonwood Creek \$80,000; (2) demolition of two houses adjacent to bank \$80,000	City	
15	provide new infrastructure for Cottonwood Market and ongoing maintenance of public amenities (p.10, K)	undertake site servicing, construction of stage, washrooms, storage, lighting in park; ensure that new development blends with existing Japanese Gardens; ongoing maintenance of the park and other public amenities in Railtown	MKT	City, Eco-society	local businesses	in progress	\$12,600 site design; estimates: \$100,000 site servicing; \$95,000 stage; \$50,000 washrooms/ storage; \$15,000 park lighting	City, grants, local business contributions

	Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding
16	develop mixed use multifamily on City owned sites in Market Precinct; encourage underground public parking	issue an RFP for mixed use multifamily development; use triple bottom line aligned with sustainability framework; encourage development within a specific timeframe i.e. two years	MKT	City	local developers	1-3 yrs	Development Services/ Public Works work program	land owner/developer funded; City incentives
17	convert empty lot at Coke and Gas Works building into temporary parking (p. 10, L)	provide for overflow parking for market and to offset the loss of stalls at City parkade	HCOM	City	Ecosociety	complete	\$10,000	City
18	environmental site assessment of Coke and Gas works building and empty lot (p. 10, M)	undertake study to determine contamination and develop remediation plan	HCOM	City		in progress	\$23,000	City
19	remediate Coke and Gas Works land (p. 10, N)	undertake remediation plan	HCOM	City		1-3 yrs	TBD	City
20	enhance Cottonwood Falls viewing area/provide historic marker to acknowledge microhydro power plant (p. 10, O)	develop the area overlooking the Falls into a small park/viewing area and provide historic information for the cement foundations of the power plant at this site	MKT	City, Rod and Gun Club		1-3 yrs	\$25,000	grants, City
Other Short Term Priorities (1-3 yrs)								
21	support and foster active light industries to locate in Railtown	encourage new businesses to locate in Railtown, especially where there are synergies with existing businesses and anticipated programs and initiatives	IND	City, NDCC	local businesses	in progress	Development Services work program	City, NDCC
22	master plan for live/work precinct	inclusive design charrette process recommended to achieve sustainability goals and maximize site values	LW	land owner, City	local businesses and developers, community organizations	1-3 yrs	TBD	land owner, City
23	develop nature playground and orchard garden in Cottonwood Park (p. 10, P)	create a nature playground for children; include a public art sculpture for pollinators with the steep grass slopes surrounding the market turned into a native wildflower meadow, and an orchard garden; encourage associated programming including business/tourism opportunities and events	MKT	City, MOTI	City, CDC, local organizations ie. Nelson Food Cupboard, local residents and businesses	1-3 yrs	\$60,000 playground; \$5,000 sculpture; \$5,000 wildflower meadow/ orchard garden	grants, City
24	formalize parking plaza at Rod and Gun Club (p. 10, Q)	provide for more organized/efficient parking at the Rod and Gun Club site; inexpensive retrofit to enhance appearance and safety and improve street presence of the site	MKT	City	Rod and Gun Club, Cottonwood Autobody, Ecosociety	1-3 yrs	\$10,000	City

	Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding	
25	consistent programming of plaza/parking space adjacent to Nelson & District Chamber of Commerce	work with local groups to utilize the space on a regular basis for festivals, markets, events, etc.; encourage Nelson & District Chamber of Commerce to host or allow smaller events there or in a portion of the neighboring parking area; allow coffee shop to spill out into parking area (facilitate the idea of multi-use areas)	RY	NDCC	adjacent businesses, local community groups	1-3 yrs		TBD	arts, heritage, Provincial/Federal grants - Building Communities Through Arts & Heritage - Local Festivals, Canada Cultural Spaces
26	develop kiosk and parklet next to Chamber of Commerce building	finish edges of parking lot and demarcate parking spots; create lawn or similar in parklet area; secure tenants or interest for kiosk and programming for parklet; activate parklet seasonally with activity (food trucks, information tent, outdoor tourist direction/information, etc.); lease is revenue source for Chamber; makes site more attractive to visitors	RY	NDCC		1-3 yrs		TBD	Nelson & District Chamber of Commerce
27	Phase 1 - Cottonwood Creek improvements	riparian vegetation planting on lower sections of Cottonwood Creek; replace signage	MKT, HCOM, RY	Rod and Gun Club	CP, City	1-3 yrs		TBD	grants
28	develop energy assessment program specific to Railtown land owners/building owners	Nelson Hydro, in conjunction with Development Services ,to develop a comprehensive energy assessment program for existing businesses/homes including an energy assessment, retrofit plan, and on-bill financing; assistance for new builds will also be provided; potential to develop incentives	ALL	City	land owners, business owners	1-3 yrs	Nelson Hydro work program		Nelson Hydro
29	encourage development of a creative sector including arts, technology and learning	develop an arts strategy for the community by working with the Cultural Development Committee and local arts groups to develop opportunities for arts programming and festivals on City-owned sites, and inclusion of local artists in development of public realm infrastructure i.e. benches, street painting, garbage receptacles, bollards, etc.; explore incentives/zoning to achieve an incubator/ innovation hub in the community; work with local educational institutions to encourage satellite learning opportunities in the community; explore small City grants for supporting local non profits or community groups in organizing and hosting festivals	ALL	City	CDC, local arts groups, local business groups, Community Futures, NDCC, local educational institutions, local food groups	1-3 yrs	Development Services work program		City

Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding	
Medium Term Priorities (3-5 yrs)								
Infrastructure Requirements (3-5 yrs)								
30	connect to the waterfront (p. 10, R)	work with CP to obtain permission for a pedestrian/cyclist walkway across the tracks, with a pathway along the creek connecting to the waterfront	MKT, HCOM, RY	City, NDCC	NDCC, local businesses/ residents	3-5 yrs	\$210,000	grants, City
31	water main upgrade (p.10, S)	at west end of Government Road	LW	City		3-5 yrs	\$15,000	City
32	storm main upgrade/public realm improvements on Government Road (p. 10, T)	stormwater currently drains onto the Maglio lands from Rosemont; need to connect the storm main from the west end of Government Road adjacent to the Maglio lands along Government Road to connect to the storm main on Railway Street; pilot green infrastructure (LID) projects and new street cross-sections	LW, IND, HCOM	City	land owners/ developers	3-5 yrs	\$200,000	City, apply to MOCSCD through the Infrastructure Planning Grant Program for funding to complete a Railtown Integrated Stormwater Management Plan Feasibility Study, servicing fees
33	water main upgrade (p. 10, U)	adjacent to the Silica Street Bridge	MKT	City		3-5 yrs	\$30,000	City
34	Railway Street improvements (p. 10, V)	incorporate rain gardens, street trees and pedestrian areas	MKT	City	adjacent landowners		\$20,000	City
35	extension of Baker Street to Government Road	work with landowner/developer to extend Baker Street to Government Road	LW	land owner, City		3-5 yrs	\$200,000	land owner
36	freight shed restoration	continue to restore façade of the former CP freight shed	RY	land owner	City	3-5 yrs	TBD	land owner, municipal incentives for façade restoration or other initiatives as appropriate
37	develop mixed use multifamily on empty lot adjacent to Coke and Gas Works building	following completion of remediation, issue an RFP for mixed use multifamily development; use triple bottom line aligned with sustainability framework; encourage development within a specific timeframe i.e. two years	HCOM	City, land owner/ developer		3-5 yrs	TBD	land owner/ developer funded; City incentives
38	Coke and Gasworks plaza/mews	in conjunction with the multifamily development, provide a plaza and mews	HCOM	land owner/ developer		3-5 yrs	TBD	land owner/developer funded

	Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding
39	remidate/renovate the Coke and Gasworks building (p. 10, W)	following completion of business plan, remediate/renovate the Coke and Gas Works building and explore viable uses	HCOM	City	NDAC, CDC	3-5 yrs	\$100,000	City, NDAC, CDC; Building Communities Through Arts and Culture, Local Festivals component, provides funding to local groups for recurring festivals that present the work of local artists, artisans or heritage performers

Other Priorities (3-5 yrs)								
40	Phase 2 - Cottonwood Creek improvements	remediate the creek bed and improve fish habitat	MKT, HCOM, RY	Rod and Gun Club	CP, City, local environmental organizations	3-10 yrs	TBD - will depend on requirements for remediation of soil and groundwater contamination to the satisfaction of all stakeholders (mitigation, removal, disposal, containment of surrounding groundwater, etc.), removal and disposal of the concrete flume, and the volume of the excavation. A feasibility study would be required to provide a reasonable cost estimate.	community amenity contributions, community matching fund program, Community Initiatives Program grant funding, Habitat Conservation Trust Foundation, City to provide small grants or matching funds for local organizations to complete creek restoration work, include a section of creek restoration with new market facility
41	improved bus service	work with BC Transit to achieve bus service as identified in the Plan	ALL	City, MOTI		3-5 yrs	TBD	City
Long Term Priorities (5-10 yrs)								
Infrastructure Requirements (5-10 yrs)								
42	sewer main upgrade (p. 10, X)	adjacent to the sewer lift station on Maglio land	LW	City		5-10 yrs	\$25,000	City

Project	Description	Precinct	Lead	Partners	Timeline	Cost	Funding	
43	new sewer lift station/relocation (p. 10, Y)	on Maglio lands; needs to be replaced and relocated to edge of property to allow for development of site	LW	City		5-10 yrs	\$100,000	City
44	water main upgrade (p. 10, Z)	along Government Road	IND	City		5-10 yrs	\$80,000	City
45	establish mixed use multi-family housing at bottle depot site	this is a key housing site for Railtown - encourage development of mixed-use multi-family - commercial at-grade, residential above	MKT	land owner	local developers, City	5-10 yrs	TBD	land owner/ developer funded; City incentives
46	Cottonwood mews	develop a mews (narrow pedestrian walking street) between mixed used developments adjacent to Cottonwood Park/Market	MKT	land owner/ developer		5-10 yrs	TBD	land owner/ developer funded

Other Priorities (5-10 yrs)								
47	individual development projects	mixed use, live/work, office/commercial, and industrial developments are expected as the area revitalizes; City can catalyze private sector investment through City investment, development incentives and flexible zoning; City can use contract terms to encourage building within a short time-frame, all landowners encouraged to use a triple bottom line approach to development and demonstrate contribution to the plan and sustainability objectives/strategies	ALL	City, land owners		5-10 years	TBD	land owner/developer funded
48	pedestrian and cycling connection through the Industrial Precinct	obtained through addition to public easement or right of way; important for circulation and connectivity	ALL	land owners		5-10 yrs	TBD	easement/ROW dedication at time of development
49	public realm improvements in the live/work and industrial precincts	public easement or right of way	LW, IND	land owners		5-10 yrs	TBD	servicing fees, community amenity contribution, park dedication at time of subdivision

	Project	Description	Precinct	Lead	Partners	Timeline	Cost		Funding
50	establish a park/cultural facility at the Superintendent's House	this site acts as a prominent gateway feature and entry point to Railtown; pursue potential purchase of this site if funding is available; work with the community to develop as a arts/culture/recreation facility	RY	City, land owner	NDAC, CDC, NDCC	5-10 yrs		TBD	grants
51	establish mixed-use multi-family housing at various sites	mixed-use, multi-family, live-work housing has been identified for various sites in the community - work with landowners over the long term to encourage this form of development	ALL	City, land owners/ developers		5-10 yrs		TBD	land owner/developer funded; City incentives

Monitoring and Reporting

Background

Environmental and social performance are priorities for the City of Nelson. However, resources are limited, and meeting the basic needs of a community through legislated requirements for local governments take top priority. Investments in monitoring and reporting must be considered in this context.

Purposes for Monitoring

The City continues to implement *Nelson's Path to 2040 Sustainability Strategy*. Railtown is an opportunity to continue this implementation by piloting sustainable infrastructure, monitoring its performance, and then standardizing once approaches are proven. Monitoring is key in order to understand what is working and is therefore applicable elsewhere in Nelson.

Overall Strategy

The City should focus on two elements for monitoring and reporting: implementation progress, and monitoring of pilot project success.

Implementation Progress: Immediately following plan adoption/endorsement, monitor indicators of plan progress overall, reporting on a regular basis to a primary audience of Council and SNAP participants with a secondary public audience. Monitor and report on:

- Activities – what is the progress on the actions identified in the implementation plan (as % complete or adherence to planned time line)
- Outputs – what outputs have been produced as a result of the actions. For example, if the City has developed a master habitat restoration plan for Cottonwood Creek which relies on volunteers for implementation, and has convened a volunteer working group (two actions), the results would be measures of the completion of implementation of that master plan.

Within pilot projects: The City should develop a monitoring and reporting framework and use it to assess success and replicability. Monitoring should include project progress (activities and outputs) as well as outcomes. The outcomes monitoring should be linked to SNAP goals and aligned with Nelson's Path to 2040 Sustainability Strategy and OCP goals and departmental performance criteria (e.g. levels of service) to the extent possible. Progress reporting should be completed regularly during project execution, and should extend beyond the completion of the project construction to enable monitoring of performance during operation. Progress reports and performance reports should be made to Council, and released publicly.

Reporting

A central reporting site is recommended, providing access to:

- The SNAP project itself – background reports, consultation reports, and the final SNAP itself
 - Pilot projects including descriptions, time lines, contact information, and project and performance monitoring
- Reporting is seen as important to catalyze public involvement and to leverage public resources.
- Reporting should be suitable for public consumption, so it should be short and accessible. Details needed for more technical audiences could be placed in an appendix or provided as a supplementary report.
- If successful, involvement in implementation is expected to broaden to include various community groups, local landowners, and local businesses, and as it does so, ownership of monitoring and reporting could shift to a group convened from among the major players and the City.

Sustainability Framework

The following Railtown Neighbourhood Sustainability Framework table evaluates each precinct to measure how well the plan matches the sustainability goals that have been set out for the neighbourhood through the City’s previous planning documents. This framework is intended to act as a tool that the City can easily reference when evaluating projects in the future.

Carbon Reduction and Climate Change


	Objectives:	Strategies for Railtown:	Rail Yard Precinct	Heritage Commercial	Cottonwood Market Precinct	Live-Work Precinct	Industrial Precinct
	<ol style="list-style-type: none">1. Reduce our dependence on fossil fuels and prioritize local, renewable sources that feed a distributed, robust grid.2. Promote and support activities and infrastructure, such as buildings and transportation, which reduce energy consumption, reduce greenhouse gas emissions and are carbon-neutral.3. Encourage the inception and growth of a local green energy economy through partnerships, education, incentives, legislation, and conservation.	Emphasize walking and bike use to, from, through and within the Railtown Neighbourhood by providing connectivity and infrastructure to support these modes of travel, with special consideration to highway pedestrian crossings;					
		Plan for future neighbourhood transit connections to, from and within the neighbourhood;					
		Incorporate a mix and density of land uses to support city wide walking, cycling and transit use;					
		Orient and design buildings to maximize passive and renewable energy opportunities (heating, cooling, lighting, energy production);					
		Incorporate alternative energy sources and distribution where practical and appropriate; and,					
		Adaptively re-use and re-cycle buildings for new uses.					

Table 3. Sustainability Framework

Recreation, Wellness and Healthy Ecosystems

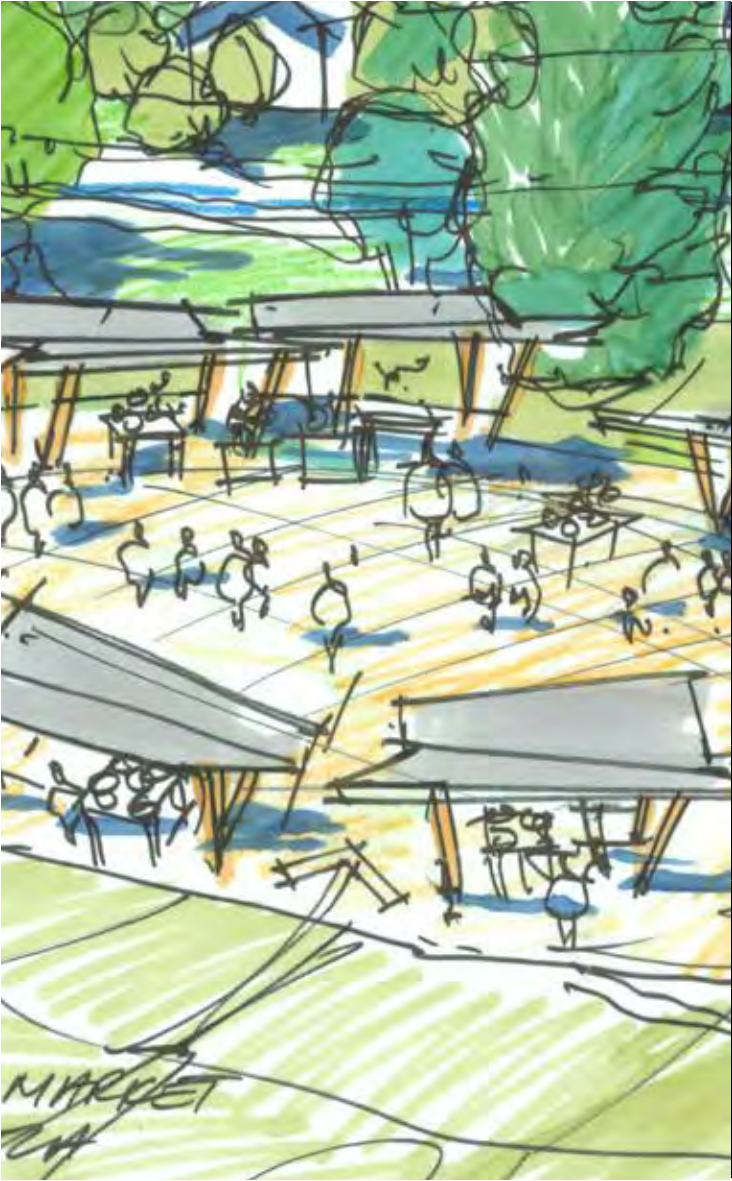


Objectives:	Strategies for Railtown:	Rail Yard Precinct	Heritage Commercial	Cottonwood Market Precinct	Live-Work Precinct	Industrial Precinct
<ol style="list-style-type: none">1. Restore natural areas to enhance their ecological functions, e.g. wetlands that clean water, greenways for migration and breeding;2. Establish recreation and leisure infrastructure as showcase models of energy efficient, water efficient, carbon-neutral design, construction and maintenance;3. Promote and foster diverse human-powered recreation that is healthy and accessible to everyone, including an interconnected trail network that encourages walking and cycling;4. Protect and enhance parks and open spaces and establish a distributed, restored natural areas network to serve as natural playgrounds for residents;5. Establish and maintain publicly accessible waterfront recreation areas; and,6. Conserve indigenous plants and wildlife.	Build and maintain tree cover;					
	Incorporate design for indigenous wildlife such as song birds into parks and open spaces, and connect to and fill in gaps in ecological corridors where possible;					
	Restore the creek;					
	Minimize pollutants from storm-water run off through integrated stormwater management, and integrate these features with the public realm designing them as amenities to reveal the relationship between the built environment and natural systems, and to provide access to nature;					
	Create neighbourhood walking trails and loops, and connect these to regional trail systems and the waterfront;					
	Incorporate opportunities for access to nature, such as community gardens and nature play areas; and,					
	Clean up contaminated lands.					

Local, Resilient Economy



Objectives:	Strategies for Railtown:	Rail Yard Precinct	Heritage Commercial	Cottonwood Market Precinct	Live-Work Precinct	Industrial Precinct
<ol style="list-style-type: none">1. Pro-actively attract, retain, expand and foster businesses and investment in Nelson;2. Foster and support entrepreneurial leadership and business incubation in the community;3. Attract high tech sector business to the community;4. Maintain and further develop our diverse economy by identifying and supporting key sectors such as Arts and Culture, learning and Education, and support new sectors in the community like high-tech, light manufacturing/value added resource, food processing, etc;5. Support local food security; and,6. Focus economic development and stimulus where it contributes to community values, including a vibrant downtown and waterfront, a self sufficient community, and meaningful employment opportunities that support healthy lifestyles.	Create capacity for a mix of commercial/employment uses including retail, light manufacturing, professional offices, food processing, etc.;					
	Support local food systems, local food and beverage businesses, and small neighbourhood based community based agricultural initiatives like community gardens, and fruit trees;					
	Introduce new uses into Rail-town while maintaining its industry/jobs focus;					
	Explore opportunities for flex-use/live-work;					
	Introduce office uses;					
	Introduce some new retail that is differentiated from and therefore supports and does not detract from downtown retail.					



Objectives:	Strategies for Railtown:	Rail Yard Precinct	Heritage	Cottonwood Market Precinct	Live-Work Precinct	Industrial Precinct
<ol style="list-style-type: none">1. Foster a socially vibrant, inclusive, safe and respectful community2. Maximize inter-generational connections, where all citizens have opportunities for meaningful participation in social, cultural, economic and environmental aspects of the City;3. Create a unique sense of place and identity based on the natural and human history of Nelson and Railtown;4. Promote artistic and cultural expression and celebration and integrate the Arts, Culture and Heritage sector with others to enrich and build a stronger community; and,5. Support and encourage healthy living choices and be responsive to the needs of individuals, families and the greater community.	Identify and preserve important heritage buildings and landscapes;					
	Continue to support public art in the public realm, and incorporate public art that tells the story of the history of Railtown and its role in shaping the evolution of Nelson;					
	Incorporate plazas, parks and other public open spaces for community markets, events and celebration and integrate with adjacent development and natural areas;					
	Restore and enhance existing parks;					
	Create vibrant streetscapes with active ground floor uses for commercial, residential and even light industrial/manufacturing uses;					
	Create opportunities and built spaces for arts and culture sector;					
	Incorporate a range of innovative housing types for different income levels, life styles and age groups and abilities such as seniors housing and coop housing; and,					

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Appendix

Market and Financial Analysis for Railtown

Market and Financial Analysis for Railtown

Supporting the Sustainable Neighbourhood Action Plan (SNAP)

City of Nelson
August 2016

Urban-Eco Consultants
In Partnership with Modus Planning

INTRODUCTION

This report provides market and financial analysis to support the writing of the Sustainable Neighbourhood Action Plan (SNAP) for the Railtown neighbourhood in Nelson, BC.

The report is split into two halves, the first half (Market Overview) reviews the market environment for all the proposed land uses that are being considered in the Railtown neighbourhood. The Market Overview was originally completed to support the first stakeholders meeting in the preparation of the Sustainable Neighbourhood Action Plan (SNAP) for Railtown.

The second half of this report looks at the financial viability of multiple development typologies. This section of the report looks at three different types of development, including an apartment building, an apartment with commercial space and a townhome development with studio space.

Ultimately it is believed that residential development in the Railtown area is viable. The best returns were found to come from a low-rise apartment development. Both the townhouse with studio space, and the mixed-use low-rise apartment building could also be viable, but the prices would have to be increased slightly from what was estimated to be current market rates.

MARKET OVERVIEW

Introduction & Background

This section of the report is intended to provide a high level overview of market environment that will influence the proposed redevelopment and revitalization of the Railtown neighbourhood in Nelson. The projections in this memo are building upon the Sustainable Waterfront and Downtown Master Plan produced by IBI. That report by IBI included a market analysis in the appendix produced by Colliers. The Colliers market analysis forms the baseline for the comments in this memo.

The City of Nelson is now focusing on the Railtown neighbourhood, which was a component of the Waterfront Master Plan. The Planning firm, Modus, has been helping the City of Nelson with creating a new vision for Railtown. This memo includes high-level market analysis of the residential, light industrial, commercial, and office sectors. All of these land uses are significantly influenced by population growth.

Population

The 2011 report produced by Colliers for the City of Nelson included population forecasts that influenced projections for residential, light industrial, commercial and office demand. This section of the memo will take a look at how those 2011 forecasts compare to recent growth in Nelson based on population data from Statistics Canada, and BC Stats.

Population

The Colliers report forecasted Nelson would see population growth of 450 new residents per year over the next 10 years. That level of growth has not been met since 2011 and seems unlikely in the short term.

Historical Population Growth		
	Population	Average Annual Growth
1981	9,143	
1986	8,113	-2.25%
1991	8,760	1.59%
1996	9,585	1.88%
2001	9,298	-0.60%
2006	9,258	-0.09%
2011	10,230	2.10%

Source: BC Stats

– which represented an average annual growth rate of just below 1% or 302 new residents since 2011.

- Since 1981 the population of Nelson saw its fastest annual growth rate between 2006 and 2011. Between these years Nelson grew at just over 2% and added just under 200 people per year.
- BC Stats estimated the Nelson population in 2014 to be 10,532

The following table displays the population projections assuming low, medium and high growth scenarios. The high growth rate is slightly below the rate used in the Colliers report, here an annual growth rate of 3% is assumed. The medium growth forecast assumes the rate of growth over the past 8 years continues, while the low growth forecast is based on BC Stats growth forecast for the Nelson Local Health Area.

Nelson Population Growth Forecasts			
	Low Growth based on Health Area Forecast 0.6% Average Growth	Medium Growth based on past 8 years 1.7% Average Growth	High Growth Scenario 3% Average Growth
2014	10,532	10,532	10,532
2015	10,595	10,711	10,848
2016	10,659	10,893	11,173
2017	10,723	11,078	11,509
2018	10,787	11,267	11,854
2019	10,852	11,458	12,209
2020	10,917	11,653	12,576
2021	10,982	11,851	12,953
2022	11,048	12,053	13,342
2023	11,115	12,257	13,742
2024	11,181	12,466	14,154

The High Growth forecast is believed to be overly optimistic. Growth in Nelson will most likely lie somewhere between the Low Growth and Medium Growth forecast, but for this memo the Medium Growth forecast will be assumed.

Residential

The residential market analysis will include a review of recent historical housing starts as well as a look at sales of recently built homes.

Housing Starts

Since 2009 housing starts in Nelson have averaged 59 per year, with a high of 96 starts in 2014 and a low of 29 in 2013. A breakdown of starts by housing type was not readily available.

Based on the Medium Growth forecast, Nelson would require between 80 and 95 new homes annually through to 2024.

The Colliers report based future housing demand by type given the current and future age profile of Nelson’s residents. Using the proportions of demand of housing by type established in the Colliers reports, and assuming the Medium Growth scenario, creates the following housing projections:

- **Single family homes:** between 45 and 50 new homes per year
- **Apartments:** between 20 to 25 new units per year
- **Townhomes:** between 15 and 20 new units per year

If this forecast projects the overall expected growth for Nelson, the question for Railtown is how much of this projected development can it capture.

The Colliers report estimated that 70% of future apartment development and 50% of future townhome development would occur in the Waterfront neighbourhoods.

If 30% of future apartment and townhome development can be directed to Railtown, it will have almost 140 residential units in 10 years. The Nelson OCP sets a target of 100 residential units in Railtown, but the Sustainable Neighbourhood Action Plan (SNAP) sets a target of 340 units at build out. In the future, a move toward an increased proportion of new multi-family housing and away from building new single-family homes could speed up development in Railtown.

Upcoming Projects

There are some significant multifamily projects that have recently been approved or are currently under construction in Nelson, including:

- Nelson Commons: Will include 54 apartment units and is currently under construction. It is located on the east side of downtown and will be above retail.
- Nelson Landing: Approved for 265 units. An 8-plex is proposed for the first phase. Nelson Landing is located on the waterfront in Fairview on Sproat Drive.

Recently Built Sales

This section highlights the sale of residential units developed since 2010 that have been tracked by the MLS system. It should be noted that not all newly built units are listed by the MLS.

Since 2010, there have been 11 listed single-family homes built and sold in Nelson.

- The average price of newly built single-family homes in Nelson was \$457,000 for a home that averaged 2,000 square feet of finished space

Since 2010 there have been 24 townhomes sold that were built since 2010 and tracked on MLS. A few new developments were not listed on MLS so have not been included.

- Townhome sizes range from 1-bedroom units at 676 square feet to 3 bedroom units that are over 1,600 square feet.
- Prices for most sold units range from \$250,000 to \$350,000.
- Townhome projects mostly have not occurred in central Nelson, the projects reviewed either occurred on the western, southern, or eastern side of town.

Since 2010 there have been two apartment projects that have been listed in the MLS system including an 8-unit apartment project at 2001 Perrier Road in south Nelson, and a 15-unit project on West Richards Road.

- The apartments on Perrier Road unit size average 960 square feet and have averaged \$260,000 in selling price.
- The units on West Richards Road that were listed average 940 square feet in size and sold for an average value of \$270,000.
- There are 10 units recently developed as part of the larger 30 unit development of The Crossing at Granite Point on Choquette Avenue. The units still available from the first phase are selling for \$278,900 for a 885 square foot unit, and \$329,500 for a 1,844 square foot three bedroom unit.

Commercial

A full commercial analysis of Nelson was not completed for this memo. This commercial demand forecast for Railtown is based on a review of the Colliers report, and includes an estimate geared specifically for Railtown.

The Colliers report makes the critical assumption regarding the future potential for retail on the Waterfront lands, including Railtown, that retail should be primarily focused on serving local residents. Local serving retail would typically be convenience oriented.

An important reason for recommending future retail be local serving is to prevent new retail clusters from competing with downtown. Protecting Nelson’s vibrant downtown should continue to be paramount in the planning of the Waterfront neighbourhoods and Railtown. However, it is believed that Railtown can include types of retail that might not be

best suited for downtown, and can include a small amount of non-local serving retail without negatively impacting downtown.

According to BC Assessment there is approximately 775,000 square feet of retail space currently in Nelson. Nelson not only serves its local population, but also is a hub for the region as the largest City in the Regional District of Central Kootenay. The majority of Nelson’s retail area is either located downtown or in the Chahko Mika Mall which is adjacent to downtown. It is understood that the vacancy rate for streetfront retail space is very low, and any vacancies are typically filled quickly.

The most recent commercial development in Nelson is the Kootenay Co-op building, which includes 10,000 square feet of new commercial space. Another upcoming commercial development includes approximately 15,000 square feet of medical space, which will be built adjacent to the hospital.

The largest upcoming commercial development will occur within Nelson Landing project, which has been approved to build over 25,000 square feet of retail space.

Compared to other Waterfront neighbourhoods, Railtown is directly connected to downtown through Baker Street, and it is assumed that connectivity will be improved through this visioning process for Railtown. Therefore, it is believed Railtown can be considered as a continuation of downtown, and which ultimately will focus on retail commercial uses that are, for the most part, not currently located downtown.

Types of uses that Railtown should look to promote include:

- Service commercial that requires additional outdoor space
- Businesses that require retail space in addition to assembly, storage, manufacturing or office space
- Studio space for artists that would combine a retail area with studio space
- Brew pubs or restaurants that could potentially want a large patio
 - Other types of retailers, including restaurants, that would service the daytime working population in Railtown
- Destination retail that does not rely on foot traffic created by adjacent stores

The Colliers report forecasted that total demand for local serving retail in the Waterfront area would be for 5,000 square feet. This was based on a total build out of 500 residential units. The report also allowed for an additional 5,000 square feet for two full-service restaurants, for a total of 10,000 square feet of retail.

If the same ratios were applied just to Railtown, only 5,000 to 7,000 square feet of retail would be allowed, which would include local serving retail plus one or two restaurants. The vision for Railtown according to the SNAP includes 340 units (higher than the OCP goal of 100 units). This retail forecast in the Colliers report underestimates the potential for Railtown, given its close proximity to downtown, the possibility of focusing on different types of retail uses, and the number of units being recommended by the SNAP .

It is believed Railtown could allow for up to 25,000 square feet of retail space without pressuring downtown retailers. Beyond the 5,000 square feet that would include two restaurants and a local serving convenience uses, the 25,000 square feet of retail would

provide commercial space to businesses that might be more comfortable in a light industrial area than downtown.

This estimate assumes that retail in Railtown should not include any large format retail projects, which is unlikely given the size of the neighbourhood, or a cluster of national brands. Railtown should focus on providing creative space for the use local businesses and entrepreneurs.

Light Industrial

The Colliers report projected demand of 25 acres of light industrial land over the next 10 years. This forecast tied demand for light industrial land to population growth and the estimated proportion of the labour force that would be involved in the goods producing sector.

Based on the Medium Growth population estimate used in this memo, demand for light industrial land would be reduced to 11 acres over the next 10 years. The vacant lands adjacent to the airport and within Railtown could easily meet this amount of demand.

Outside of the Waterfront Neighbourhoods there is not a large supply of industrial land, and it is understood that over the long term Nelson would like to see heavy industrial uses moved away from Nelson’s Waterfront.

From the perspective of Railtown, the reduced future demand for light industrial space could slow redevelopment, but Railtown is a neighbourhood that will likely see a mix of uses such as retail, residential, and potentially office.

Given its proximity to the rail lines, airport, and historic industrial use, light industrial development would be a good fit in Railtown. Being located next to downtown would also likely suit businesses and their employees. Light industrial buildings can be designed to integrate with retail and residential uses. Light industrial businesses that can operate with residents close by would likely be a great addition to a redeveloped Railtown, helping to bring jobs and an interesting mix of uses to the area.

From a developer perspective, any light industrial development would likely be build-to-suit, implying there would already be a tenant in mind for the building. The form of light industrial buildings can be designed with different proportions of shop space, office space, height, outdoor storage / parking space, etc. In a build-to-suit arrangement the tenant can specify specific dimensions for the building, and the owner knows it has a tenant ready to pay rent.

Speculative development, where the owner builds a light industrial building before having tenants secured, would likely be too risky in a City Nelson’s size. Therefore any light industrial development would likely have to wait for an interested business to partner with a landowner / developer.

Light industrial development could also take the form of live / work space. Finding the right tenants for a live / work building in a City the size of Nelson could take time. So any developer would likely require a proportion of pre-sales or tenants before beginning construction.

Artist studios could also be a great fit in Railtown, and help bring activity and promote development in the area. However, given the low rents artists would require studio space should only be considered in a refurbished existing building.

Office

Office demand is difficult to forecast, especially for smaller cities such as Nelson. The Colliers report did not estimate future office demand.

The Nelson OCP states that it wants to retain the dominance of office uses in the downtown area. However, office use would be an excellent addition to Railtown, and given Railtown’s connection to downtown, it could be considered as a continuation of downtown’s office supply.

The primary tenant for downtown office space is reportedly government, and there have been suggestions that some government offices may be looking for more space. Government would be an excellent tenant for a new office building in Railtown. A new office building would likely be mixed use, combining office space with either retail or light industrial uses.

Similar to light industrial, developing speculative office space in a small city such as Nelson is probably too risky for a developer.

Office development will likely only occur on a very small scale by owner operators, or when a tenant, such as government, has signed on.

It is possible some of the existing buildings in Railtown could be refurbished for office use. Refurbished warehouse / light industrial buildings tend to be preferred by start-up technology companies.

Attracting technology companies is something most communities are trying to do. The lifestyle and vibrant small town feel in Nelson is probably its largest selling feature, and Nelson anecdotally already attracts a high proportion of creative and educated young professionals. New technology companies in Nelson will most likely result from the attractive lifestyle Nelson provides. Providing funky office space in a refurbished warehouse in a revitalizing neighbourhood such as Railtown can help, but ultimately the growth of technology companies will rely on Nelson’s population.

MARKET ANALYSIS CONCLUSIONS:

The major findings from the preliminary market analysis to support the revisioning of the Railtown neighbourhood include:

- Population forecasts suggested in the Colliers report from 2011 are overly optimistic. This will influence demand from all different types of land use, not only residential.
- Residential demand is expected to average between 81 and 95 annually over the next 10 years, of which 50% have been historically multi-family. At that growth rate, if Railtown can attract 30% of projected multi-family development, it could have close to 140 units in 10 years. Railtown could capture a higher percentage of multi-family demand if developers are convinced to focus on Railtown rather than other neighbourhoods.
- Railtown could absorb up to 25,000 square feet of retail space without negatively impacting the downtown. Railtown would be an excellent location for service commercial retail where businesses might require extra storage, assembly, or office space beyond pure retail space. Other types of retailers that could be suited to Railtown include restaurants, or destination retail that would not rely on foot traffic in downtown for business.
- Nelson is likely to see demand for 11 acres of new light industrial space over the next 10 years. Railtown should try to attract light industrial users that would fit well with retail and residential neighbours.
- Office demand can be difficult to project, but the City should be open to government office users moving into Railtown. Start-up or small technology companies are likely to prefer renovated warehouse space, which could be an excellent fit for Railtown.

Depending on how motivated the City of Nelson is to promote development in Railtown, the following strategies could be used. :

- **Relax Zoning Regulations:** Railtown’s location adjacent to industrial waterfront lands and to the downtown makes it a viable location for residential, light industrial, retail, and office use. Creating zoning regulations that allow for each of these types of uses will promote development.
- **Promote Catalytic Developments:** Any development that will bring activity to Railtown will promote interest in the area.
- **Provide Incentives:** The City of Nelson could provide some tax incentives to developers in Railtown if it was considered a priority.

FINANCIAL ANALYSIS

Introduction & Background

This memo provides a summary of the economic analyses testing the financial viability of three development concepts in the Railtown neighbourhood of Nelson. The City of Nelson is looking to promote development in Railtown, and has commissioned the urban planning and design firm Modus to provide a Sustainable Neighbourhood Action Plan (SNAP) for Railtown. The SNAP suggests pursuing a mix of land uses in the area including increasing the residential population, and the three development concepts referred to in this memo have been recommended for as potential future developments for Railtown.

Given the base market assumptions the low-rise apartment concept was determined to be the most viable in the current market. Both the townhome with studio and mixed-use apartment developments were also viable, but required small increases in residential sales values to become sufficiently profitable to achieve a 12% return for the developer.

Development Typologies

All the stakeholders involved with creating the Sustainable Neighbourhood Action Plan (SNAP), produced by Modus, supported a vision for Railtown where it would become a vibrant neighbourhood with an increased population living in the area. To help reach this vision, new multi-family developments in Railtown were recommended.

Three development typologies in particular were tested for financial viability including a low-rise apartment building, a low-rise apartment building with ground floor commercial space and a townhome project with ground floor studio / commercial space.

As some of the lands in Railtown have issues with contaminated soils it was necessary to include development forms that did not include residential uses on the ground floor.

Specifically, the development typologies that were looked at from a financial perspective for this Memo were:

- **Townhomes with Studio space:** This project would include 4 townhome units on a 0.24-acre lot. The building would be 3 stories in height, with the residential units comprising the 2nd and 3rd stories. The ground floor would include covered parking and commercial space that could be used for studios, offices or another commercial use. The residential units were assumed to be 1,275 square feet in size, and each commercial unit would be just over 400 square feet.
- **Low-rise Apartment with commercial space:** This project would include 27 apartment units averaging just over 800 square feet per unit, as well as approximately 3,250 square feet of commercial space. The ground floor would include tuck under parking in addition to the commercial space. The site area was assumed to be .4 acres.

- **Low-rise apartment:** This project would include 29 apartment units averaging just less than 840 square feet per unit. There is no commercial space in this scenario – not all lands in Railtown will prohibit ground floor residential. The ground floor would include tuck under parking as well as residential. The site area was assumed to be .4 acres.

Assumptions

In order to produce a financial viability test of the development scenarios listed in the previous section various important assumptions must be made.

The assumptions used in financial modeling for this Memo were based on informal conversations with developers, brokers, and appraisers. There may be assumptions that are incorrect according to some readers; however, the purpose of this Memo is to provide a general idea of viability for the development concepts assessed.

Some of the notable assumptions include:

Land Values:

Establishing an estimated cost of vacant land in Railtown is difficult due to issues regarding contamination on certain sites. Future zoning of vacant land will also impact values. Based on discussions with appraisers, local landowners and real estate brokers an average cost of \$600,000 per acre was assumed. This translates to approximately \$13.75 per square foot.

Parking:

Townhouse: For the townhouse project it was assumed 1 parking stall per unit would be provided. The City of Nelson by-laws require 1 stall per unit for live-work projects. The 4 parking stalls provided would be tuck-under or covered parking within the building envelope.

Mixed-use apartment: It was assumed the mixed-use project would require 1.7 stalls per residential unit, which includes 1.5 stalls per unit for residents and 0.2 stalls for visitor parking. Commercial space requires 1 stall per 30 square metres of commercial space. In total this project required 56 parking stalls, of which 18 would be covered within the envelope of the building and the rest were outdoor surface parking.

Low-rise apartment: It was assumed the low-rise apartment project would require 1.7 stalls per residential unit, which includes 1.5 stalls per unit for residents and 0.2 stalls for visitor parking. In total this project required 49 parking stalls, of which 22 would be covered within the envelope of the building and the rest were outdoor surface parking.

Construction Costs:

Construction cost estimates used in the viability testing were based on conversations with developers and other industry data. Construction costs can vary dramatically depending on the quality of the development, and the different types of costs that sometimes are or are not included in construction cost estimates.

Townhomes: Construction costs were assumed to be \$120 per square foot for residential space, and \$80 per square foot for the studio / commercial space. The commercial / studio space is assumed to provide finished space that would be suitable for a studio, but would require improvement for retail space. Tuck-under parking was assumed to be \$14,000 per stall.

Mixed-Use Apartments: Construction costs were assumed to be \$135 per square foot for residential space, and \$100 per square foot for the studio / commercial space. The commercial / studio space is assumed to provide a higher level of finishing for potential retail usage. Tuck-under parking was assumed to be \$16,000 per stall. Costs are higher as the tuck-under parking will need to support a larger building.

Low-Rise Apartments: Construction costs were assumed to be \$135 per square foot for residential space. Tuck-under parking was assumed to be \$16,000 per stall.

Other cost assumptions:

- Onsite and offsite costs are each assumed to be \$100,000 per acre of site area. The onsite costs in Railtown could vary depending whether site remediation is required.
 - Offsite costs include curb and gutter costs.
- Soft costs for all projects are assumed to be between 23% and 25% of hard costs for all of the proposed projects (not including the cost of land). Soft costs include construction management, engineering, architects, planning, financing, marketing, as well as City development costs that include City services upgrade costs for residential and commercial space.

Baker Street Extension Charge: Plans for Railtown include extending Baker Street from its current end point through to Government Road. The cost for extending Baker Street has been estimated to be \$245,000. How this cost will be paid for has not yet been determined, but a scenario has been included in the financial analysis that assumes that new apartment units will pay for the road. In this scenario it is assumed that the first 170 units built in Railtown will share in the costs, which would add a \$1,441 charge for each unit.

Aside from the potential Baker Street extension charge, it is possible that other area wide charges may be required depending on the infrastructure investments necessary to make Railtown developable.

Sales Values:

Sales value assumptions were based on conversations with local brokers, and developers. Currently in Nelson there is a wide variety of asking prices for newly built apartments and townhomes. The prices assumed for new units in Railtown were between the high and low values currently being asked for on the market. It was assumed that the location in Railtown, adjacent to Downtown and within a unique neighbourhood, would achieve a price premium.

- New townhomes are assumed to have a value of \$330,000 for a 1,275 sq. ft. unit with tuck-under parking - equaling approximately \$260 per square foot of livable area.
- Low-rise apartments for mixed-use or all residential buildings are assumed to have a value of \$310 per square foot.
- Nelson Landing is currently setting the upper limit on asking prices in Nelson. Townhomes and apartments within this project are asking as much as \$453 and \$463 per square foot.

Retail Lease Rates:

- Retail lease rates for the studio space in the townhome project was assumed to be \$8 per square foot, while commercial space in the low-rise apartment was assumed to rent for \$12 per square foot.

Results:

Using the base assumptions as listed above it was estimated that the development typologies with commercial space might struggle for viability, while the low-rise apartment building provides an excellent opportunity.

- Based on the preliminary financial analysis, the best performing typology was the low-rise apartment with 29 units averaging approximately 836 square feet in size and selling for just over \$259,000 or \$310 per square foot. Under these assumptions, it was estimated that the project would achieve a profit of approximately 16.5% for the developer.
- The mixed-use townhomes provided a return of 5.7%. Typically developers look for a 12% return. It was assumed that the 4 units in this project averaged 1,275 square feet in size and sold for approximately \$332,000 or 260 per square foot. The 4 units of studio space were assumed to be just over 400 square feet each, and would be rented separately for \$8 per square foot.
- The low-rise apartment with commercial space provided a return of 5.6%. The project was assumed to include 27 units averaging just over 800 square feet in size, as well as 3,250 square feet of commercial space. These units were assumed to sell

at \$310 per square foot, the same value as the low-rise with no commercial space, therefore averaging \$250,000 per unit. The commercial space, which could be used as studio space, was assumed to rent for \$12 per square foot.

Scenario Impact Analysis:

The financial performance of the townhouse and mixed-use low-rise project might not be strong enough to entice a developer, so some scenarios were looked at to see how changes to some of the variables impact the performance of these potential developments.

This section provides a summary of how the viability of the proposed scenarios could be improved in various ways, including increasing price, lowering land values, and reducing parking.

Parking

Parking is always a very expensive component for any type of development, and parking requirements can have a major impact on the viability of a project.

For the townhouse development only 1 stall per unit was assumed – which is the requirement for live / work units in Nelson.

Both apartment developments assumed 1.7 stalls per unit, and the mixed-use low-rise projects assumed an additional 10 stalls for the commercial space (one stall per 30 square metres). It should be noted that the design of the mixed-use apartment building calls for a certain number of tuck-under parking stalls. Therefore, reducing the parking requirement for this building removes surface parking spaces that are less costly to develop.

Land Values

Determining the land value for developable land in Railtown is complicated given the issues with contamination on some sites, as well as assuming what type of development the zoning will allow. Ultimately the land values were assumed to be \$600,000 per acre.

Reducing the land value has a much more significant impact on the townhome development than the mixed-use low-rise project as land value comprises a much smaller proportion of the overall development costs.

Higher Sales Values / Manipulating the Development:

With all other factors held constant, this section looks at the impact of reducing parking requirements to 1.2 stalls per unit, lower land costs, and higher retail rental rates. Finally sales prices were increased to see at what sales values the projects would require to give the developer a 12% return.

Regarding the low-rise apartment, prices were reduced to see how affordable the units could become while still maintaining a 12% return to the developer.

- **Townhomes with studio space:**

- *Base estimate:* \$260 per square foot or \$332,000 for 1,275 square foot unit, and a rental rate of \$8 per square foot of studio space, produces a return of 5.7%
 - Including the cost to extend Baker Street reduces the Base Estimate return to 5.2%
- *Lower land value:* Reducing land value to \$435,000 per acre improves the developer profit to 9.5%, making the project very close to being viable. Lowering land value to \$353,000 per acre allows for a 12% return on the project.
- *Price Increase Only:* Increasing the sales price to \$278 per square foot or \$355,000 per unit @ 1,275 sq. ft. produces a return of 12%.
 - Including the cost of extending Baker Street requires sales prices to be increased to \$280 per square foot or \$357,000 per unit to produce a 12% return for the developer.

It should be noted that the base case scenario for the townhomes with studio space assumed that the studio space would be rented. The developer could also choose to sell the studio space and townhome together, or sell the studio space separately as strata commercial space.

- If the studio space were sold together with the townhome, a total price of \$387,000, or \$230 per square foot, would be required to give the developer a 12% return. *Including the cost for the Baker Street Extension would require these units to be sold for \$390,000 or \$232 per square foot.*
- If the studio space were sold separately as strata commercial space, assuming the base scenario price of \$332,000 for the residential unit, the studio space would require a value of approximately \$60,000 to allow the developer to achieve a 12% return. Selling the commercial space as strata units involves additional costs such as marketing and advertising costs.

- **Low-Rise apartment with commercial space:**

- *Base estimate:* \$310 per square foot or \$250,000 for 806 square foot unit, and a rental rate of \$12 per square foot of commercial space, produces a return of 5.6%.
 - Including the cost to extend Baker Street reduces the Base Estimate return to 5.5%
- *Lower land value:* Reducing land value to \$435,000 per acre improves the developer profit to 6.9%. Lowering the land value has less of an impact on this project due to the higher overall costs involved.
- *Reducing the Parking requirement:* Lowering the parking requirement to 1.2 stalls per unit improves the projects return to 7%. Residential prices would need to increase to \$262,000 per unit to produce a 12% return for the project.

- *Price Increase Only:* Increasing the sales value to \$330 per square foot or \$266,000 per unit @ 806 sq. ft. produces a return of 12%.
 - Including the cost of extending Baker Street requires sales prices to be increased to \$332 per square foot or \$268,000 per unit to produce a 12% return for the developer.
 - Increasing the retail rental rate to \$14 per square foot improves the Base Scenario return to 6.5% without changing the residential prices. With this change in retail prices, residential units would require a price increase to \$263,000 per unit to produce a 12% return.
 - If the parking requirements were reduced to 1.2 and the retail rate increased to \$14 per square foot, residential prices would only need to increase to \$259,000 per unit to produce a 12% return.

- **Low-Rise apartment:**

Given that the low-rise apartment is already viable given the base case assumptions, the sales price of this project was revised down to see how affordable units in this project could be while still providing a return of 12% to the developer.

- *Base estimate:* \$310 per square foot or \$259,000 for 836 square foot unit, produces a return of 16.5%
 - Including the cost of extending Baker Street reduces the developer profit to 15.6% if units are sold for \$310 per square foot or \$259,000 for a 836 square foot unit.
- *Price Reduction Only:* \$296 per square foot or \$248,000 per unit @ 836 sq. ft. produces a return of just over 12%.
 - With the inclusion of cost for extending Baker Street, unit prices could be reduced to \$300 per square foot or \$251,000 per unit and still produce at 12% return for the developer.

FINANCIAL ANALYSIS SUMMARY:

This analysis is intended support the Sustainable Neighbourhood Action Plan (SNAP) for the Railtown neighbourhood of Nelson by assessing over all market demand of the land uses being considered, and the financial viability of three different residential development forms.

As previously summarized on page 9 of this report, the key findings of the market analysis include:

- Population growth rates are not as high as previously estimated, impacting demand for all types of land use.
- From a phasing perspective, build out of the Railtown neighbourhood could take a number of years. Based on the assumptions made in the first half of this report, it was estimated Nelson would see an average of between 81 – 95 new homes per year to 2024. Recently, multi-family units have comprised approximately 50% of the new homes. Therefore, with 40 – 50 new multi-family units per year, and other major multi-family developments underway, it was estimated that Railtown could conservatively average 14 units per year, or approximately 30% of the multi-family market. Within Railtown, the timing of the different types of residential development should not be a factor as much as being cognizant not to overload the Nelson market with too much product at one time.
- It is believed that Railtown could include 25,000 square feet of retail space without adversely impacting the downtown.
- Nelson is likely to see demand for an additional 11 acres of new light industrial land over the next 10 years.
- Demand for new office space is not expected to be strong, but government or small technology companies could be a good fit for Railtown.

The viability of the development scenarios was as follows:

- The most viable development scenario was the low-rise apartment building. This 29-unit project produced a return of 16.5% with the base assumptions – selling the 836 square foot units for \$259,000 or \$310 per square foot. This project would still be viable if units were sold for \$248,000 without including the cost of Baker Street, and \$251,000 if the cost of Baker Street extension was included.
- The townhouse with studio development produced a return of 5.7% with the base assumptions. Reducing the land value to \$435,000 per acre improves the return to 9.5%. At this lower land value, prices for the townhomes would only need to rise from \$332,000 to \$341,000 for the project to produce a 12% return. Without

reducing the land value, this townhome project would need to charge \$355,000 per unit to be viable. These estimates assume the studio space would be rented.

- If the cost of extending Baker Street were included these units would need to sell for \$368,000 to be viable – without including a reduction in land value.
- If the studio units were sold together with a townhome unit, the price for both would need to be approximately \$387,000 per unit (or \$390,000 if the Baker Street extension cost was included). The developer could also decide to sell the studio space as a separate strata unit.
- The mixed-use low-rise apartment produces a return of 5.6% under the base assumptions. To improve this return to 12% the residential units require a price increase from \$250,000 per unit to \$266,000.
 - This price per residential unit can be reduced to \$259,000 per unit (\$322 per square foot) while retaining a 12% return for the project if the rental rate for commercial space can be increased to \$14 per square foot and the parking requirement for residential units is reduced to 1.2 stalls per unit.
- From a timing perspective, all the developments considered would be feasible today. Only the townhouse and mixed-use projects would require a small increase in sales values to be viable.