

## MEMORANDUM

March 26, 2012

TO: Mayor Robertson and Councillors

COPY TO: P. Ballem, City Manager  
S.A. Johnston, Deputy City Manager  
D. McLellan, Deputy City Manager  
M. Coulson, City Clerk  
M. Welman, Director of Communications  
W. Stewart, Assistant Director, Corporate Communications  
F. Connell, Director of Legal Services  
P. Judd, General Manager of Engineering Services  
R. Newirth, Director of Cultural Services

FROM: K. Munro, Assistant Director of Current Planning

SUBJECT: CD-1 Rezoning - 8018-8150 Cambie Street

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This memorandum provides further information for Council on the matter of the Community Amenity Contributions which had not been concluded when staff completed the policy report for this application.

### *DISCUSSION*

As previously indicated in the Council report, Real Estate Services has advised that the applicant has offered a CAC in the form of a cash payment of \$5,600,000.

Staff recommend this offering be allocated as follows:

- \$838,000 as an on-site cultural amenity space in the form of two artist studios, each with associated residential units, providing a total gross area of 205.4 m<sup>2</sup> (2,211 sq. ft.), conveyed to the City as an air space parcel;
- a cash contribution of \$180,000 to provide a 21-year Facility Reserve fund for the artist studios with associated residential unit.
- The balance of \$4,582,000 to remain unallocated.

**Artist Studios:** As previously indicated in the Council report, the applicant has offered to provide an on-site cultural amenity space in the form of two artist studios with associated residential units - Class B, fully fit and finished, conveyed to the City as an air space parcel, inclusive of two parking spaces in the underground parking. These Studios will be added to the City of Vancouver Artist Studio Award Program--joining the existing four residential/work

studios and two work-only studios (under construction elsewhere in the city). The proposed artist studios will be suitable for Class B activities (inclusive of Class A) as defined in the City's Zoning and Development By-law. These "raw" light industrial work spaces will be used by visual, performing, sound or interdisciplinary artists. Real Estate Services and the developer have agreed to the value of \$838,000 for this space.

The City's Artist Studio Award Program has, over the years, aided 15 artists to grow and develop their practise. One studio is categorized as an "award" with no rent due, while the others are leased at below market rates. All leases are for a period of three years less two weeks and the artists are selected through a peer review assessment process. Recipient artists have indicated to City staff, that this is one of the finest programs for individual artists that the City of Vancouver offers.

**Facility Reserve Fund:** In addition to providing the artist studio space, the property owner is providing a cash contribution towards the annual facility operating costs of the studios to ensure that they remain affordable for the studio awardees. This fund is calculated at \$180,000 based on an annual cost projections for building maintenance, security, common area costs, insurance, as well as expected rental revenues. The below market rents, combined with an annual contribution from the Facility Reserve Fund will ensure all operating costs are met. Real Estate Services has used a "present value calculation" that looks at future value and period length as well as payment amount and period length to arrive at the \$180,000 amount. The below market rents, combined with an annual contribution from the Facility Reserve Fund will ensure the estimated operating costs are met for approximately the first 21 years. After this time the studio use and operation will be evaluated and reconfirmed or altered as necessary. The proposed zoning allows for a variety of cultural and commercial uses to allow flexibility for future use.

**Residual CAC:** The balance of the CAC, valued at \$4,582,000 would be allocated in the future in accordance with the Cambie Corridor Plan Phase Two (pages 59 and 113). Under that policy the CAC would be allocated to childcare and affordable housing in the area, facilities improvements (such as at Marpole Place and community centre renewal), and to public realm and green space improvements and additions, including public space and greenways along the Fraser River. Specific allocations for this CAC will be brought forward for Council's consideration once the public realm and public benefits strategies for the Cambie Corridor are complete, and after further consultation with the public. Payment of the residual CAC of \$4,582,000 is a condition of zoning enactment.

**Conditions of Approval:** Three conditions of enactment are being altered as a result of this partial allocation. The first condition (condition 8 in the recommendations) changed includes the size of the artist's studios with associated residential units, outlining the terms and conditions of transfer of this space to the City. The second condition (condition 9 in the recommendations) describes the amount of money required for the facility reserve fund. The final condition to be altered (Condition 11), is the residual CAC payment required after the cultural space and facility reserve values are included.

## **Financial Implications**

Upon transfer of ownership of the air-space parcel to the City, the operating costs associated with the artist studios will become the responsibility of the City with a portion of the costs recovered by way of subleases to the awardee tenants and the balance from the Facility Reserve Fund. The initial cash contribution of \$180,000 to the Facility Reserve Fund is to be paid to the City on or before enactment of the CD-1 by-law and the funds held in an interest-

bearing account. The combined rents and Reserve Fund input will provide a total annual operating revenue sufficient to cover operating costs. The Facility Reserve Fund is projected to last approximately 21 years from the time the City takes ownership, at which point the program will be reviewed and renewed as appropriate. Future capital costs will be handled per the protocol of the time, which currently is dealt with through the Capital Budgeting process.

## **Conclusion**

Planning staff recommend that this offer be accepted and further that it be secured to the satisfaction of the Director of Legal Services and the Director of Planning, as set out in the enactment conditions and proposed conditions of approval added by approval of the following Recommendations.

## ***RECOMMENDATION***

- A. THAT the conditions of zoning by-law enactment, as presented in Appendix B of the Policy Report “CD-1 Rezoning -8108-8150 Cambie Street” dated February 17, 2012, be amended to replace conditions (c) 8, 9, and 11 with the following:

### **Community Amenity Contribution (CAC)**

8. Execute an agreement to secure the cultural amenity space, inclusive of 2 residential units with associated studio, with a total area of not less than 205.4 m<sup>2</sup> (2,211 sq. ft.), as part of the development at 8018-8150 Cambie Street, that provides for the following:
  - (i) design, construction, equipping and finishing of the proposed cultural amenity space to the satisfaction of the Managing Director of Cultural Services and the Director of Facilities Design & Management;
  - (ii) transfer to the City at a nominal cost an air space parcel containing this cultural amenity together with the appropriate rights and obligations applicable to the ownership and operation of this legal parcel including reciprocal easements and indemnities, repair and maintenance, cost sharing, insurance and other applicable legal obligations;
  - (iii) grant a perpetual right in favour of the City and the users of this cultural amenity space, in the form of a statutory right of way, for access to and exclusive use of two parking spaces in the underground parkade on this site, at no cost to the City and its users;
  - (iv) grant a perpetual right in favour of the City and the users of this cultural amenity space, in the form of a statutory right of way, for access to and use of the loading area directly adjacent to the artist studios, at no cost to the City and its users;
  - (v) in the Disclosure Statement for the project, include information that puts purchasers on notice that the development includes artist studio uses, and is therefore subject to the possible impacts associated with those uses; and

9. Pay the amount of \$180,000 to the City, on or before enactment of the CD-1 by-law, to be held by the City as a Facility Reserve Fund, with such funds to be held in an interest-bearing account and used to offset the operating costs of the amenity space for a period of approximately 21 years.
  11. Prior to enactment of the rezoning by-law, pay to the city of the Community Amenity Contribution of \$4,582,000 which the developer has offered to the City.
- B. That the Public Benefits Summary contained in Appendix G of the Policy Report be replaced with the Public Benefits Summary attached to this memo.

Thank you,



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K. Munro,  
Assistant Director of Planning

DD/KM/ws

**8018-8150 Cambie Street  
PUBLIC BENEFITS SUMMARY**

**Project Summary:**

Mixed use development with 441 units of market strata housing, 110 units of market rental housing, 2 Artist Studios with associated residential units, and 9,000 square feet of retail at grade.

**Public Benefit Summary:**

The project would generate DCL payments, two artist studios with associated residential units, and a cash CAC offering to be allocated to public amenities as per the Cambie Corridor Plan. A public art contribution would also result. The DCL waiver for the STIR floor space is estimated at \$463,500.

	Current Zoning	Proposed Zoning
Zoning District	RT-1/C-1	CD-1
FSR (site area = 70,041 sq. ft./6 507 m <sup>2</sup> )	0.6/1.2	5.80
Buildable Floor Space (sq. ft.)	64,443 sq. ft.	405,912 sq. ft.
Land Use	residential/commercial	residential/commercial

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed Zoning (\$)
Required*	DCL (City-wide) (See Note 1)	\$348,772	\$2,222,680
	DCL (Area Specific)		
	Public Art		\$735,959
	20% Social Housing		
Offered (Community Amenity Contribution)	Childcare Facilities		
	Cultural Facilities		\$1,018,000
	Green Transportation/Public Realm		
	Heritage (transfer of density receiver site)		
	Affordable Housing		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		\$4,582,000
	Other		
<b>TOTAL VALUE OF PUBLIC BENEFITS</b>		<b>\$348,772</b>	<b>\$8,558,639</b>

**Other Benefits (non-market and/or STIR components):**

A total of 110 market rental units secured for the life of the building or 60 years, whichever is greater.

\* DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification. For the Oakridge/Langara DCL, revenues are allocated into the following public benefit categories: Parks (63.2%); Housing (30.3%); and Transportation (6.5%). Revenue allocations differ for each of the Area Specific DCL Districts.

Note 1: DCL shown under Current Zoning assumes development to the maximum buildable floor space.