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ADMINISTRATIVE REPORT

Report Date: March 5, 2012
Contact: Al Zacharias
Contact No.: 604.873.7214
RTS No.: 9536
VanRIMS No.: 08-2000-20
Meeting Date: March 27, 2012

TO: Vancouver City Council

FROM: The General Manager of Engineering Services in Consultation with the Director of Real Estate Services

SUBJECT: 520 West Georgia Street (Telus Garden) - Lease of a Volumetric Portion of Georgia Street

RECOMMENDATION

- A. THAT Council authorize the Director of Legal Services, ("DLS"), to apply and raise title in the name of the City of Vancouver to that portion of Georgia Street, the same as shown generally in bold outline on the plan attached as Appendix "B", to contain the office building projection proposed to be constructed under Development Application DE415285 at 520 West Georgia Street (the "Telus Commercial Development").
- B. THAT Council close, stop-up, and authorize the Director of Real Estate Services ("DRES") to enter into a lease for that volumetric portion of Georgia Street (the "Lease Premises") with 0922459 B.C. Ltd., Inc. No. 922459, or their permitted assignee (the "Lessee"), as shown generally within bold outline and illustrated isometrically on the plan attached hereto as Appendix "C", subject to the terms and conditions as noted in Appendix "A".
- C. THAT the lease payments for the Lease Premises be based on the annual charges as prescribed in the Encroachment Bylaw and allocated to the Encroachment Revenue Account.
- D. THAT Council authorize the General Manager of Engineering Services ("GMES") to approve minor and inconsequential amendments to the dimensions of the Lease Premises upon provision of legal survey plans and as-built surveys prepared by a British Columbia Land Surveyor.

REPORT SUMMARY

This report seeks Council authority to close, stop-up and lease the Lease Premises to the Lessee in support of the Telus Commercial Development.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The authority for closing and disposing of streets and lanes is set out in the Vancouver Charter.

On November 1, 2011 Council adopted the recommendations of Administrative Report RTS 9343 authorizing the Director of Real Estate Services to enter into a lease for volumetric portions of Seymour and Richards Streets to the owners of the Telus Commercial Development.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends approval of the foregoing.

REPORT

Background/Context

The Telus Commercial Development proposes significant cantilevered building projections out over Seymour, Richards, and Georgia Streets. Under the rezoning submission only the Seymour and Richards Street projections (the "Seymour and Richards Projections") were sought by the applicant and authorization for lease arrangements in support of these were approved by Council on November 1, 2011 under Administrative Report RTS 9343. The current development permit submission proposes an additional building projection over Georgia Street as shown on the architectural cross section attached as Appendix "D" (the "Georgia Projection"). The Georgia Projection is at Levels 16 through 19, is approximately 16 metres wide and will project beyond property line by approximately 3.5 metres onto Georgia Street (56± sq.m). The function of the Georgia Projection is to accommodate an exterior sky garden and terrace. The horizontal and three dimensional extents of the Lease Premises to contain the Georgia Projection are depicted on Appendix "C". The Lease Premises will be leased to the Lessee on terms and conditions similar to those prescribed for the Seymour and Richards Projections, the terms and conditions are more precisely described in Appendix "A".

The development permit for the Telus Commercial Development contains a prior-to issuance condition seeking legal arrangements for the proposed Georgia Projection under similar terms and conditions as set out for the Seymour and Richards Projections.

Strategic Analysis

The extent of the Georgia Projection onto the street is significant and uncommon outside of the Telus Commercial Development but it has been considered carefully respecting the significance of this prominent development. The impact on views along

Georgia Street were assessed by City planners and found to be acceptable. Given the height of the Georgia Projection there is no concern for height clearances above the street. An Engineering Services review of this matter has concluded that this use of the street can be supported subject to the conditions contained in this report.

The Director of Real Estate Services confirms that the annual rates prescribed in the Encroachment Bylaw are appropriate in this case.

Implications/Related Issues/Risk (if applicable)

Financial

As was the case for the Seymour and Richards Projections the Director of Real Estate Services has determined that the lease payment is to be based on the annual charges established (from time to time) under the Encroachment Bylaw which as of January, 2012 are set at \$170.03 plus \$4.54 for every square foot exceeding 150 square feet. A calculation based on preliminary drawings yields an annual charge of approximately \$2300 for the Lease Premises. The annual Encroachment charge will be allocated to the Encroachment Revenue Account (Business Area 9200, Cost Centre 91050, Account 418300).

CONCLUSION

The General Manager of Engineering Services in consultation with the Director of Real Estate Services recommends approval of the Recommendations contained in this report.

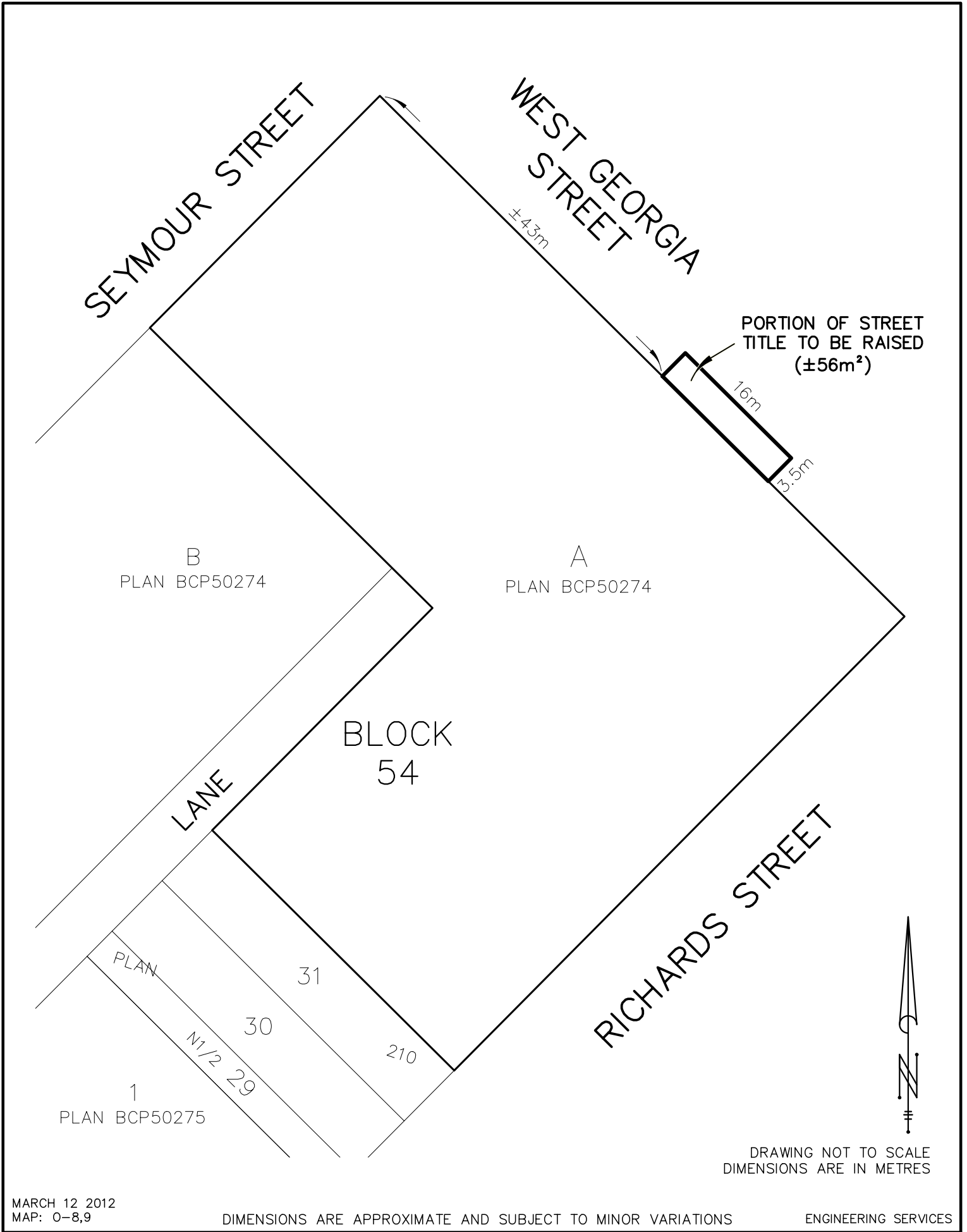
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TERMS AND CONDITIONS

1. That the lease be granted to the abutting owner i.e. the owner of Lot A Block 54 District Lot 541 Group 1 New Westminster District Plan BCP50274 ("Lot A").
2. The term of the lease to be for the lesser of; the life of the building proposed as the Telus Commercial Development, or 99 years. The lease to contain a provision such that it may be terminated if the construction of the Telus Commercial Development has not commenced within 5 years from the commencement of the lease.
3. The lease payment to be based on the annual charges established (from time to time) under the Encroachment Bylaw which as of January, 2012 are set at \$170.03 plus \$4.54 for every square foot exceeding 150 square feet.
4. The Telus Commercial Development is not to rely on the Lease Premises for compliance with the Vancouver Building Bylaw ("VBBL") i.e. as the VBBL pertains to structural integrity, life safety, exiting, assembly, and general circulation of personnel within the Office Lands Parcel.
5. Upon completion by the Lessee of the installation and construction of the Georgia Projection, as soon as practicable, the Lessee is to provide an as-built survey, prepared by a BC Land Surveyor, to verify that the Georgia Projection is appropriately within the boundaries of the Lease Premises, and if necessary make arrangements to modify them such that they conform to the boundaries of the Lease Premises or make alternative arrangements to provide new Reference Plans and modifications to the lease agreement to the satisfaction of the GMES and the DLS.
6. The Lessee is to maintain the Lease Premises to the satisfaction of the GMES and the Georgia Projection must be internally drained such that there is no drainage onto the street. The Lessee is responsible to address other nuisances applicable to the Lease Premises such as graffiti, dust, birds, feces, leaves etc.
7. The City will retain right of entry to the Lease Premises, without notice, for purposes of inspection, maintenance, repair and removal. This may result in the registration of an SRW and Equitable Charge in favour of the City over Lot A.
8. The Lessee will not erect, paint, display, place, display, affix, or maintain or permit to be erected any sign, decoration, picture, lettering, symbol or notice of any kind whatsoever on the Lease Premises without first obtaining consent from the GMES.
9. No hazardous or flammable substances are to be stored within the Lease Premises.
10. Upon expiry or termination of the lease the Lessee is responsible for the removal of the Georgia Projection and the restoration of the Lease Premises to the satisfaction of the GMES.

11. The Lessee to assume full responsibility for liabilities, loss and damages from their occupancy and use of the Lease Premises and to insure the Leased Premises with insurance policies to the satisfaction of the Director of Risk Management.
12. The Lessee will release the City and City personnel from any and all losses suffered by Lessee resulting from or in connection with the lease.
13. The Lessee will indemnify the City and City personnel from and against all losses suffered by the City or City personnel that would not have occurred but for the lease arrangements.
14. The lease to contain such other terms and conditions satisfactory to the DLS, DRES and the GMES.
15. Lessee to be responsible for all necessary plans, documents, and Land Title Office fees.
16. Any agreements are to be to the satisfaction of the DLS.
17. The DLS or the DRES, as applicable, be authorized to execute all plans, transfers, and documents as required.
18. No legal right or obligation shall be created and none shall arise hereafter, until the documents are executed by the parties thereto.

APPENDIX 'B'

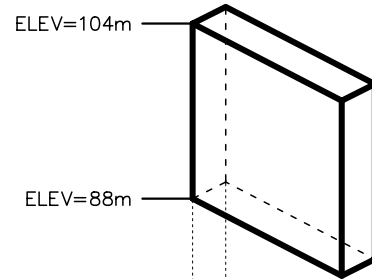
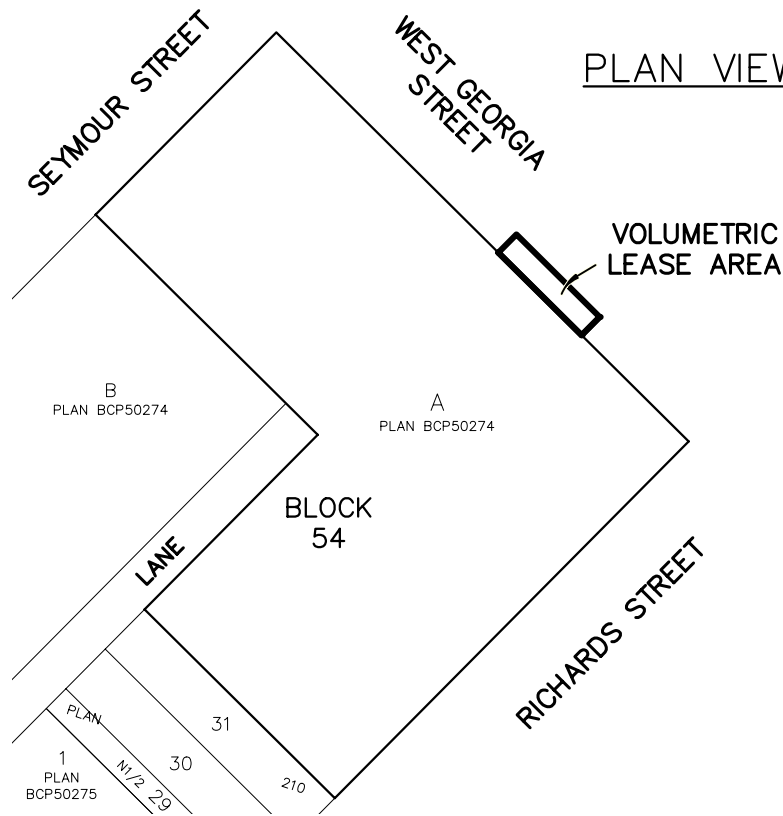


DRAWING NOT TO SCALE
DIMENSIONS ARE IN METRES

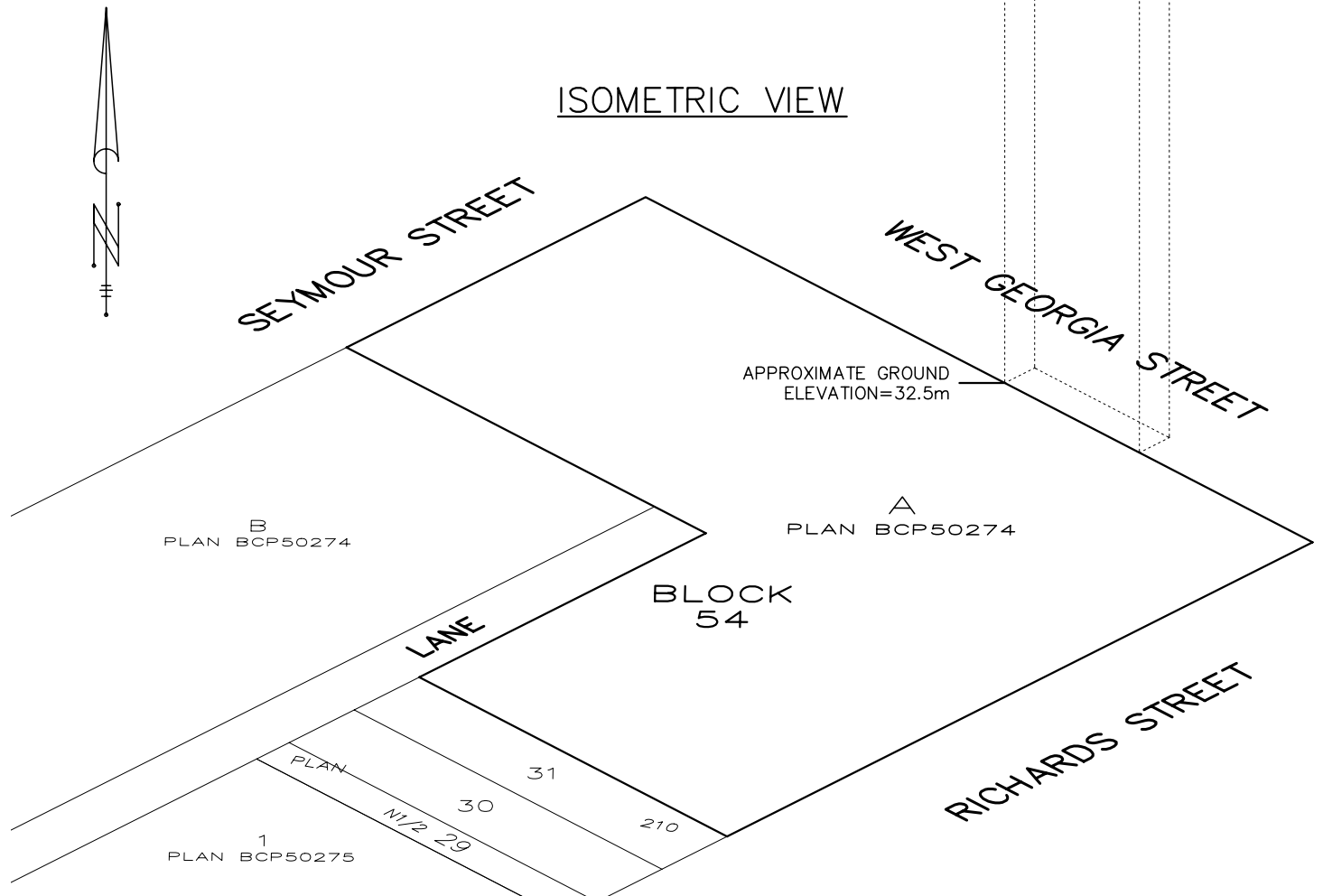
APPENDIX 'C'

DRAWING NOT TO SCALE
DIMENSIONS ARE IN METRES

PLAN VIEW



ISOMETRIC VIEW





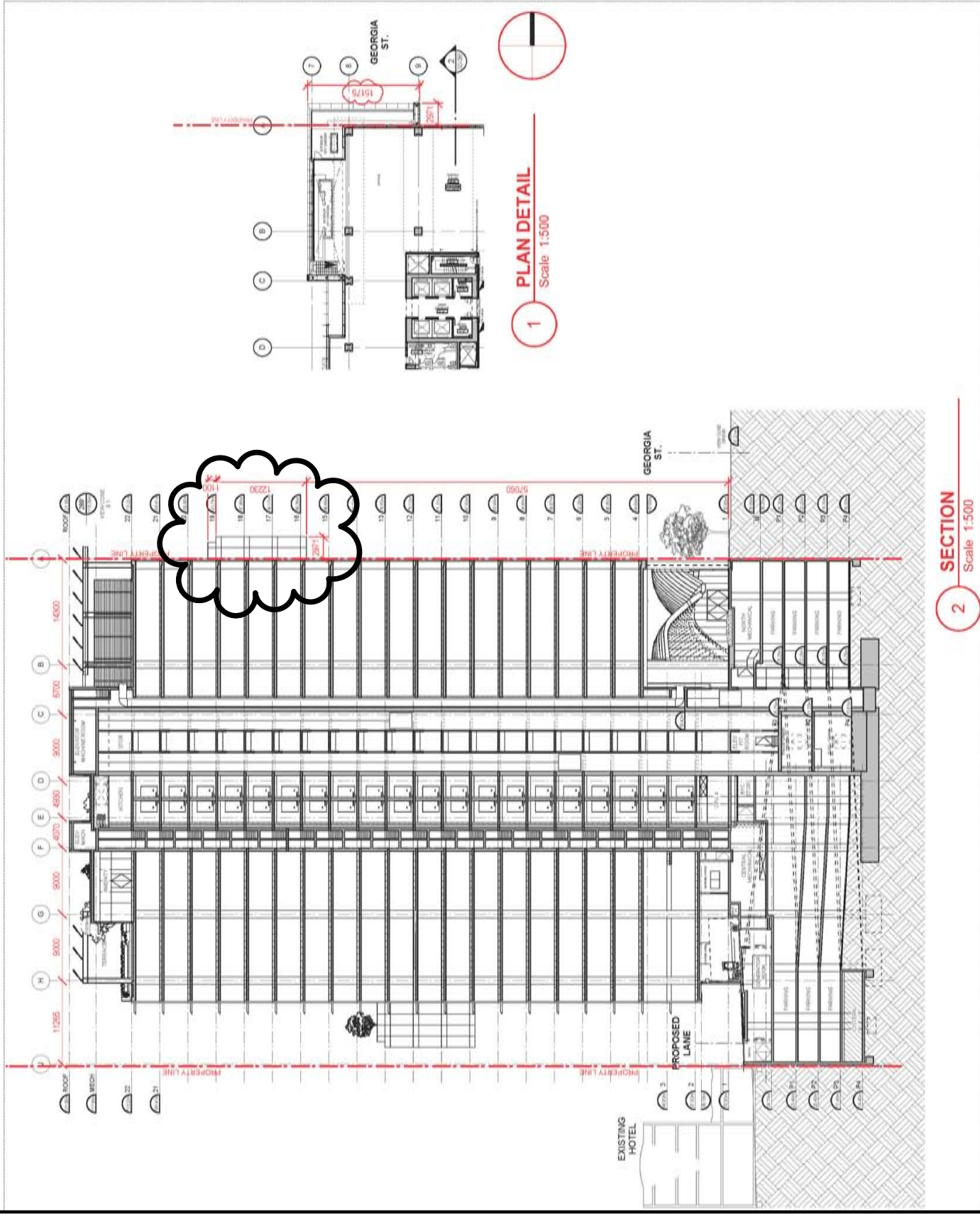
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30	2013.02.22	GH/FPW	GH/FPW

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NW SKY GARDEN ENCROACHMENT
 22 FEB 2012
 1:300
 ER / ISS
 GH / FPW
 100%

DD-087



1 PLAN DETAIL
 Scale 1:500

2 SECTION
 Scale 1:500