



POLICY REPORT
DEVELOPMENT AND BUILDING

Report Date: June 15, 2016
Contact: Anita Molaro
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RTS No.: 11515
VanRIMS No.: 08-2000-20
Meeting Date: July 19, 2016

TO: Vancouver City Council

FROM: Acting General Manager of Planning and Development Services in consultation with the Director of Legal Services

SUBJECT: Heritage Designation and Heritage Revitalization Agreement - 6158 East Boulevard - Kirkland's Metal Shop

RECOMMENDATION

- A. THAT Council add the existing building at 6158 East Boulevard (PID: 011-187-557; Lot 19 of Lot 4, Block 2, District Lot 526, Plan 5309; PID: 011-187-565; Lot 20 of Lot 4, Block 2, District Lot 526, Plan 5309 (the "site")), known as Kirkland's Metal Shop (the "heritage building") to the Vancouver Heritage Register in the 'B' evaluation category.
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment, pursuant to Sections 593 and 594 of the *Vancouver Charter*, a by-law to designate the west facade (the "heritage facade") of the heritage building as protected heritage property.
- C. THAT Council instruct the Director of Legal Services to bring forward for enactment, pursuant to Section 592 of the *Vancouver Charter*, a by-law authorizing the City to enter into a Heritage Revitalization Agreement to:
 - i. secure the rehabilitation and long-term preservation of the heritage facade; and
 - ii. vary the *Zoning and Development By-law* in respect of the site to permit the construction of an addition to the heritage building as proposed under Development Permit Application No. DE419324 (the "DP Application") and as more particularly described in this report, and

- iii. THAT the Heritage Revitalization Agreement shall be prepared, completed and registered, and given priority on title to the site, to the satisfaction of the Director of Legal Services and the Director of Planning.
- D. THAT Recommendations A to C be adopted on the following conditions:
- i. THAT the passage of the above resolutions creates no legal rights for the applicant or any other person, or obligation on the part of the City and any expenditure of funds or incurring of costs in relation thereto is at the risk of the person making the expenditure or incurring the cost; and
 - ii. THAT the City and all its officials shall not in any way be limited or restricted in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.

REPORT SUMMARY

The purpose of this report is to seek Council approval to add the Kirkland's Metal Shop building to the Vancouver Heritage Register in the 'B' evaluation category, and to designate the west facade as protected heritage property and to approve a Heritage Revitalization Agreement (HRA) for the site to ensure the rehabilitation and long-term protection of the heritage facade. Under the current C-2 zoning applicable to the site, the existing building could be demolished and the site redeveloped with a density of up to 2.50 floor space ratio (FSR) without Council approval. As incentive and compensation to the owner for the heritage designation and conservation of the heritage facade, an increase in permitted density, as well as other zoning variances, are proposed to permit the development as set forth in the DP Application and as described in this report. The Acting General Manager of Planning and Development Services is prepared to approve the DP Application should Council approve the recommendations of this report.

COUNCIL AUTHORITY

Pursuant to Section 582 of the *Vancouver Charter*, Council, by resolution, may establish a heritage register identifying real property that Council considers to be heritage property and, by resolution, to add such properties to the register from time to time.

Pursuant to Section 592 of the *Vancouver Charter*, Council, by by-law, may enter into a Heritage Revitalization Agreement with an owner of heritage property which may vary or supplement certain kinds of by-laws and permits, including the *Zoning and Development By-law*.

Pursuant to Sections 593 and 594 of the *Vancouver Charter*, Council, by by-law, may designate real property, in whole or in part, within the City of Vancouver as protected heritage property.

Pursuant to Section 595 of the *Vancouver Charter*, if sought, Council is required to compensate an owner of property being designated as a protected heritage property for any reduction in the market value of the property caused by the designation. Often this, along with additional compensation to offset rehabilitation costs incurred under an HRA, is achieved

by way of by-law variations contained in the HRA so as to permit an otherwise impermissible development.

The proposed heritage designation and HRA for the heritage building require Council approval at public hearing and by-law enactment pursuant to Sections 592, 593, and 594 of the *Vancouver Charter*.

The following Council policies are applicable to the project:

- *Heritage Policies and Guidelines (May 1986, last amended September 2002)*
- *Green Buildings Policy for Rezonings (February 2010, last amended June, 2014)*

The *Heritage Action Plan*, which was approved in December 2013, responds to citizen and Council desire to encourage and support heritage conservation in the City. A number of actions were approved including maximizing the use of available tools to conserve the City's heritage resources.

GENERAL MANAGER'S COMMENTS

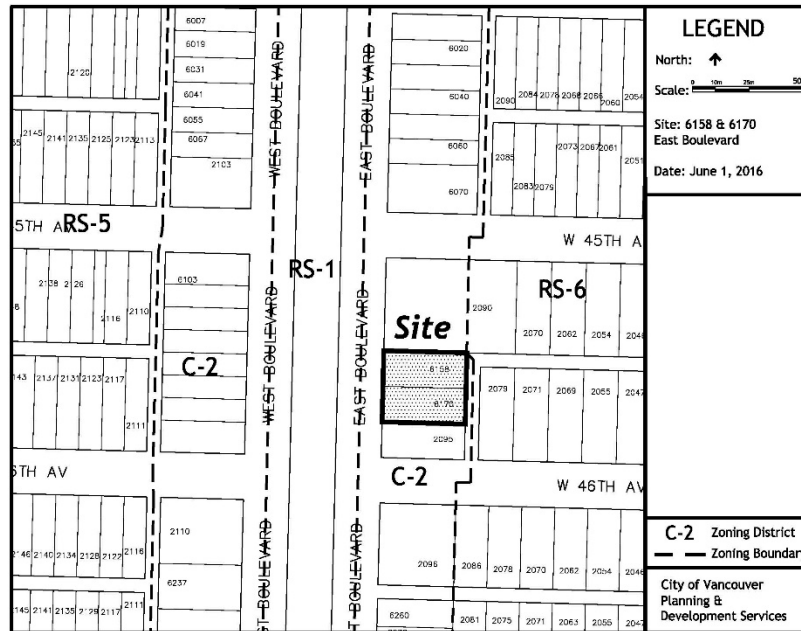
The Acting General Manager of Planning and Development Services RECOMMENDS approval of A, B, C, and D.

STRATEGIC ANALYSIS

Site and Context

The site is located in the Kerrisdale neighbourhood in an area zoned C-2 (see Figure 1). The *C-2 District Schedule* of the *Zoning and Development By-law* permits commercial and residential uses. The total area of the subject site is 1,157 square metres (12,447 sq. ft.). A six metre (twenty-foot) wide paved "L-shaped" lane exists at the rear of the site. A power sub-station exists directly to the north of the site.

Figure 1: The site and the surrounding zoning



Heritage Value

Kirkland's Metal Shop was built by metal worker John Kirkland in 1926, who moved his business to the ground floor from its previous location, and who lived in one of the two apartments above the shop. Kirkland's Metal Shop and the business remained at this location for over eighty-five years and provided the local community with a variety of sheet metal services. The building itself is in nearly original condition and is a rare surviving example of a well maintained and unaltered commercial building from the early part of the Twentieth Century (see Appendix A and Appendix B).

Appropriate for a purpose-built metal shop, the building is characterized by its decorative metal work, including engaged fluted pilasters and metal storefronts built by John Kirkland. The design of the attractive front façade is classical in composition, with elements influenced by the emerging Art Deco style. The building also features original windows and doors, and black "vitrolite" tiles;

It is proposed to add the heritage building to the Vancouver Heritage Register in the 'B' evaluation category.

Development Application and Proposed Incentives

If approved, the incentives and compensation to be provided to the owner for the heritage designation and the rehabilitation and conservation obligations in the proposed HRA will be in the form of variances to the *Zoning and Development By-law*, including a density variance, as set forth in the DP Application and as described below. The zoning applicable to the site is C-2, which allows mixed use residential and commercial buildings to be constructed up to an FSR of 2.50.

In early reviews it became apparent that given what is permitted in the zoning, retention of the whole Kirkland's Metal Shop building is not viable unless a large height variance would be considered for the new development. Staff concluded that the maximum height which could be considered in this case is six storeys, which is considered compatible with the mixed-use commercial street. Staff and the applicant concluded that development had to occur in the area where the heritage building is located and therefore only the front façade could realistically be retained and incorporated into the new structure. The DP Application proposes to retain and restore the west facade of the building and to construct a new 65.12 foot high mixed use building in association with it (see Appendix C). While retention of a façade is not always a supportable conservation measure, in this case staff concluded it could be considered because the main aesthetic features of the building are all concentrated on the front façade and the "back of house" building is very modest, noting the development challenges mentioned earlier (see photographs in Appendix A).

The maximum density for the site is 2.50 FSR under the current zoning. The application proposes a density of 3.09 FSR (see Table 1). The density variance forms the main economic benefit for the heritage building's façade conservation strategy. The HRA is to also provide a relaxation for height and setbacks (see Appendix D).

Table 1: Zoning Density and Height Summary

Regulations of the C-2 District Schedule	Required or Permitted	Proposed
Section 4.3.1(b) Height (for portions of the building at least 6.1 metres but not more than 10.7 metres from the rear property line)	10.7 metres (35.10 feet) Maximum	17.3 metres (56.75 feet) (south-east corner of roof over fifth floor covered terrace)
Section 4.3.1(c) Height (for portions of the building at least 10.7 metres from the rear property line)	13.8 metres (45.28 feet) Maximum	19.8 metres (65.12 feet) (roof over entry to the south-east private terrace)
4.7.1(a) Overall Density	2.50 FSR 2892 m ² (31,135 square feet)	3.09 FSR 3577 m ² (38,501 square feet)

Staff have considered the potential impact of the proposed development with the variances proposed, the results of notification (see the Results of Neighbourhood Notification section), the conservation approach, and the compatibility of the development with the zoning (see Compatibility with Existing Zoning and Land Use Regulations), and conclude that the DP Application is supportable. The Acting General Manager of Planning and Development Services is prepared to approve the DP Application subject to Council approval of the recommendations of this report.

Compatibility with Existing Zoning and Land Use Regulations

The Intent of the *C-2 District Schedule* is to:

"... provide for a wide range of commercial uses serving both local and city wide needs, as well as residential uses, along arterial streets. This Schedule emphasizes building design that furthers compatibility among uses, ensures livability, limits impact on adjacent residential sites, and contributes to pedestrian interest and amenity."

The application is consistent with the intent of the zoning. The proposal provides residential and commercial uses on an arterial street, the residential units are highly livable and the design mitigates impacts on surrounding properties as much as possible. The retained heritage façade in conjunction with the design of the new portions adds to pedestrian interest and amenity along the street.

Condition of the Heritage Building and Conservation Approach

The heritage building is in very good condition. While retention of a facade without the existing internal structure is not always supportable, in this case the primary aesthetic features of the building are contained within the front façade and can be incorporated into a new building. This approach enables an effective and supportable façade retention project.

Results of Neighbourhood Notification

197 surrounding property owners were notified of the application. Seven responses were received. Three responses expressed opposition to the project while two responses expressed support for retaining the façade in principle. All seven responses expressed concerns which are as follows:

- The increased height and density are not commensurate with the cost of retaining just the west façade, and more of the building should be retained;
- The parking entrance should be relocated as it will create traffic impacts in the lane;
- The increased height creates undue impacts on neighbouring properties; and
- The entire ground floor should be for commercial uses.

The variances proposed to offset heritage related costs are supportable financially (see Proforma Evaluation). The heritage building's primary aesthetic features are located on the west façade and the retention of the west façade is supported by the Vancouver Heritage Commission. The location of the parking ramp in the lane is required. The main shadowing impacts are on the sub-station site directly to the north and east of the site and other impacts such as overlook and privacy have been adequately addressed in the design (see the drawings in Appendix C and the shadow analysis in Appendix F).

The C-2 zoning permits residential uses conditionally at the street level. Staff concluded that the residential use on the south half of the project at the street level is supportable in this case based on the existing surrounding development.

Staff considered the results of neighbourhood notification and concluded that the application is supportable as an HRA.

Comments of the Vancouver Heritage Commission

On March 15, 2016, the Vancouver Heritage Commission reviewed the DP Application and unanimously supported it with some recommendations (see Appendix E).

Public Benefits

Development Cost Levies (DCLs): DCLs collected from development help pay for facilities made necessary by growth, including parks, childcare facilities, replacement housing (social/non-profit housing) and various engineering infrastructure. The site is in the City-wide DCL District of \$143.42/m² (\$13.31/sq. ft.). On this basis, a DCL of approximately \$512,450 is anticipated.

DCLs are payable at building permit issuance and are subject to an annual inflationary adjustment which takes place on September 30 of each year. When a DCL By-law with higher rates is introduced, a number of rezoning, development permit and building permit applications may be at various stages of the approval process. An application may qualify as an in-stream application and therefore may be exempt from DCL rate increases for a period of 12-months from the date of DCL bylaw rate amendment provided that it has been submitted prior to the adoption of annual DCL By-law rate adjustments.

If a related building permit application is not issued within the 12-month period, the rate protection expires and the new DCL rate will apply.

Heritage: The owner has offered to conserve and rehabilitate the heritage building's west facade and to accept the designation of the heritage facade as protected heritage property, which is a valued community feature. If approved, the designation will be effected by enactment of a Heritage Designation By-law and the owner will enter into an HRA which, among other things, will secure the conservation and rehabilitation of the heritage façade. The cost to the applicant of the proposed on-site heritage conservation is estimated to be approximately \$860,000

See Appendix G for a summary of the public benefits that would be achieved should this application be approved.

Financial Implications

As noted in the section on Public Benefits, the applicant has offered the on-site conservation and rehabilitation of the heritage building facades valued at \$860,000.

The site is within the City-wide DCL District. It is anticipated that the applicant will pay approximately \$512,450 in DCLs should the application be approved and the project proceed.

Proforma Evaluation

Real Estate Services staff reviewed the applicant's proforma evaluation in accordance with Council's approved policies. The Director of Real Estate Services advises that the by-law variances proposed will offset the costs of the rehabilitation and conservation of the heritage building and will not result in any undue profit.

Environmental

The City's *Green Buildings Policy for Rezonings* applies to the application. The policy allows for exemptions for heritage components provided reasonable design efforts are made to improve green performance where appropriate, while respecting heritage aspirations and promoting heritage retention.

Legal

The by-law variations proposed will provide an improved development potential on the site. The owner's proposal to rehabilitate and conserve the heritage facade, and accept the designation of the heritage facade as protected heritage property, in exchange for obtaining the by-law variations needed to get that improved development potential will be appropriately secured as legal obligations contained in the HRA to be registered on title to the site so as to enable the City to enforce those obligations and ensure that they will be fulfilled at the owner's expense.

Section 595 of the *Vancouver Charter* requires that, if sought, Council must compensate an owner for any reduction in the market value caused by a heritage designation. The owner has signed the HRA and in doing so has explicitly accepted the by-law variances to be provided, and the resulting development advantages to be gained thereby, as full compensation for the heritage designation of the heritage facade and the obligations to rehabilitate and conserve it. The HRA will be executed by the City and registered on title following Council's enactment of the by-law authorizing the City to enter into the HRA and before a development permit for the project may be issued.

CONCLUSION

The approval of the addition of Kirkland's Metal Shop to the Vancouver Heritage Register in the 'B' evaluation category, the heritage designation of its west facade, and the proposed HRA, will ensure that the heritage facade is rehabilitated, conserved, and protected from demolition and from exterior alterations which might affect its heritage value. The proposed HRA will vary the *Zoning and Development By-law* to allow for the development as proposed, and the owner has agreed to accept the proposed variances as compensation for the designation of the heritage facade as protected heritage property and for the rehabilitation and conservation proposed under the HRA. The Acting General Manager of Planning and Development Services is prepared to approve the DP Application for the project should Council approve the recommendations of this report. Therefore, it is recommended that Council approve the addition of Kirkland's Metal Shop to the Vancouver Heritage Register, and the proposed heritage designation and HRA.

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6158 East Boulevard Street
PHOTOGRAPHS



Photo 1: West Façade of Kirkland's Metal Shop

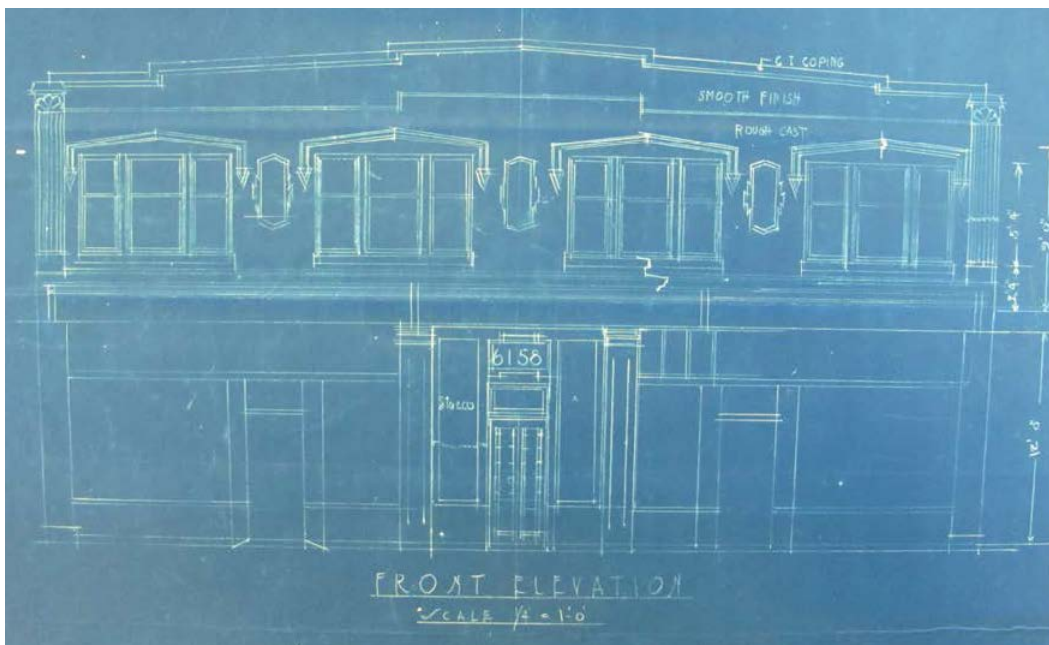


Diagram 1: Original Front Elevation Drawing (circa 1930)



Photo Collage 1: Details of the West Facade



Photo 2: Rear of 6158 East Boulevard

The rear of the heritage building is very utilitarian and has been modified over time. Its retention is not viable to allow for reasonable development on the site permitted under the zoning or the proposed HRA.



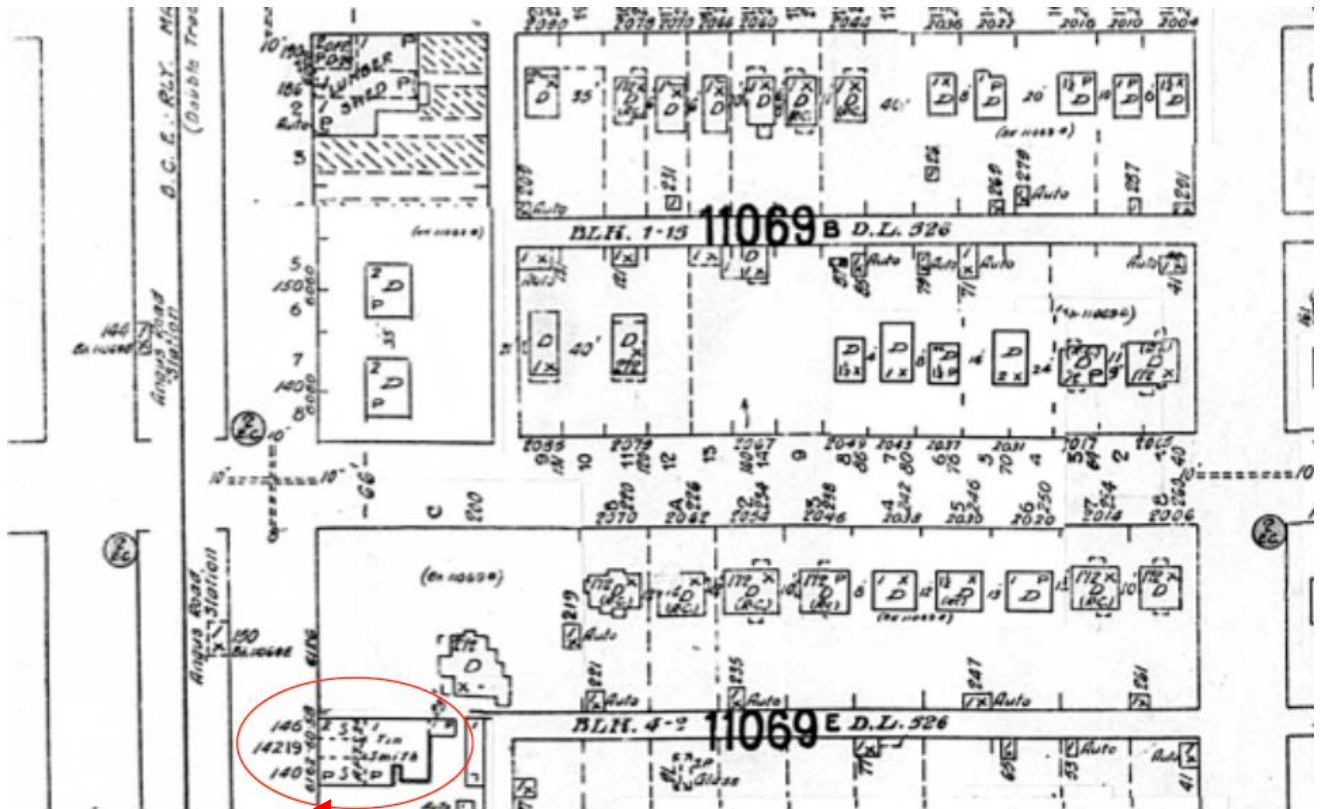
TINSMITH, GOOD FURNACE MAN.
J. Kirkland, 6244 East Boulevard,
Kerrisdale.

Photo 3: John Kirkland's Original Store at 6244 East Boulevard and Newspaper Ad (1922)



Photo 4: Storefront Notes and Details

6158 East Boulevard
MAPS AND DIAGRAMS



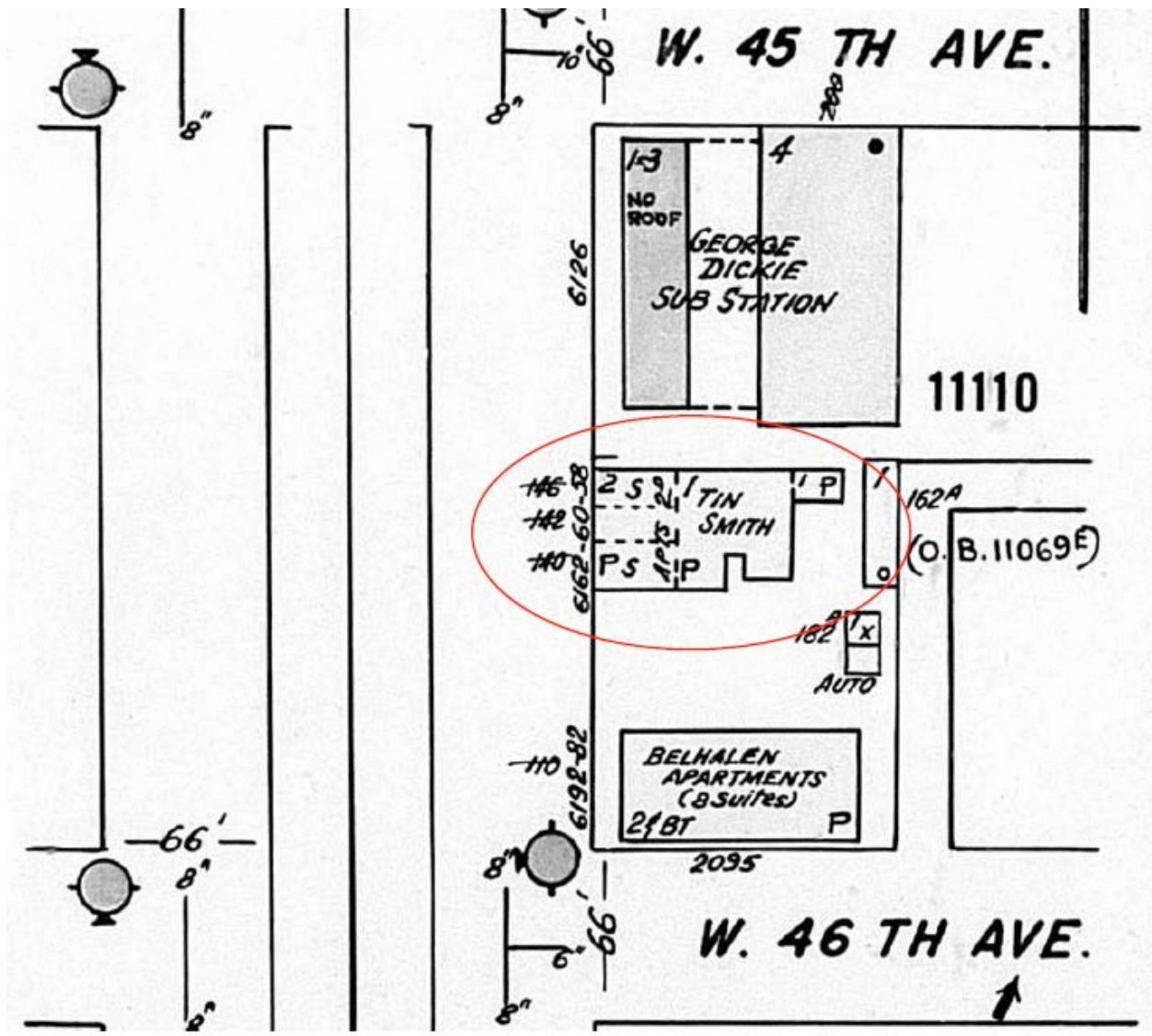
1933 Vancouver Fire Insurance Map showing 6158 East Boulevard

Map 1: Fire Insurance Map circa 1933

Kirkland's Metal Shop

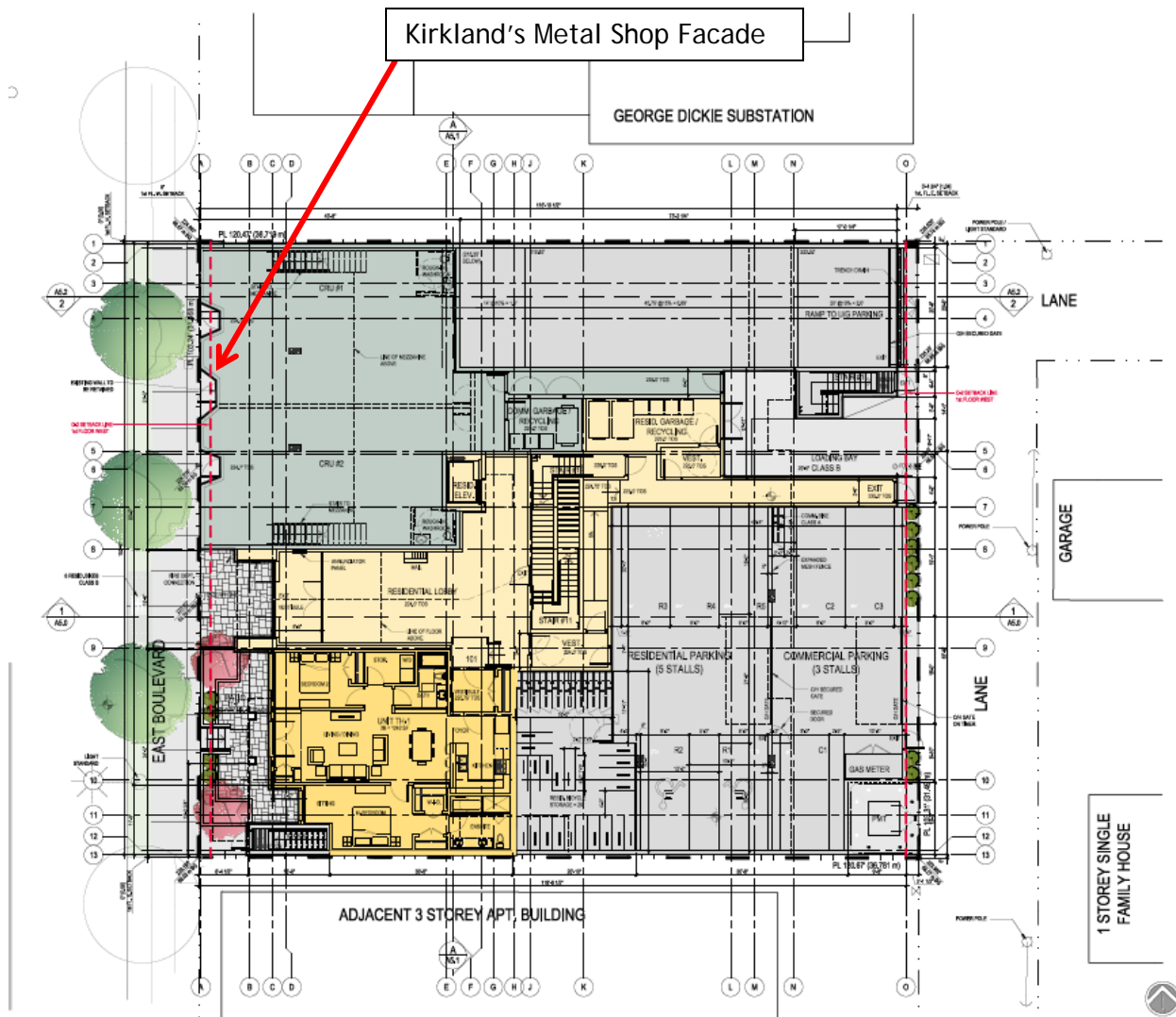


North

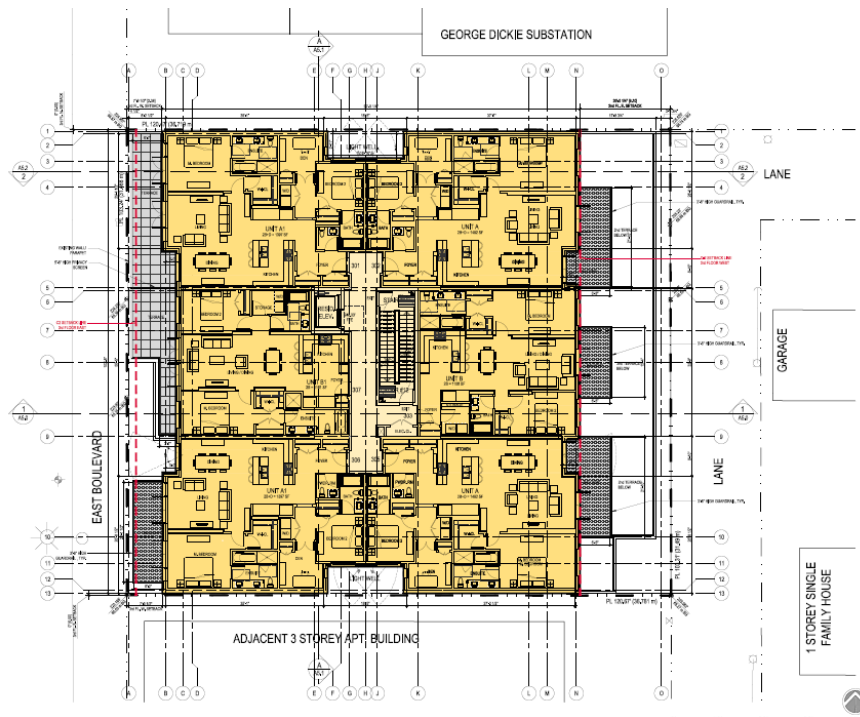
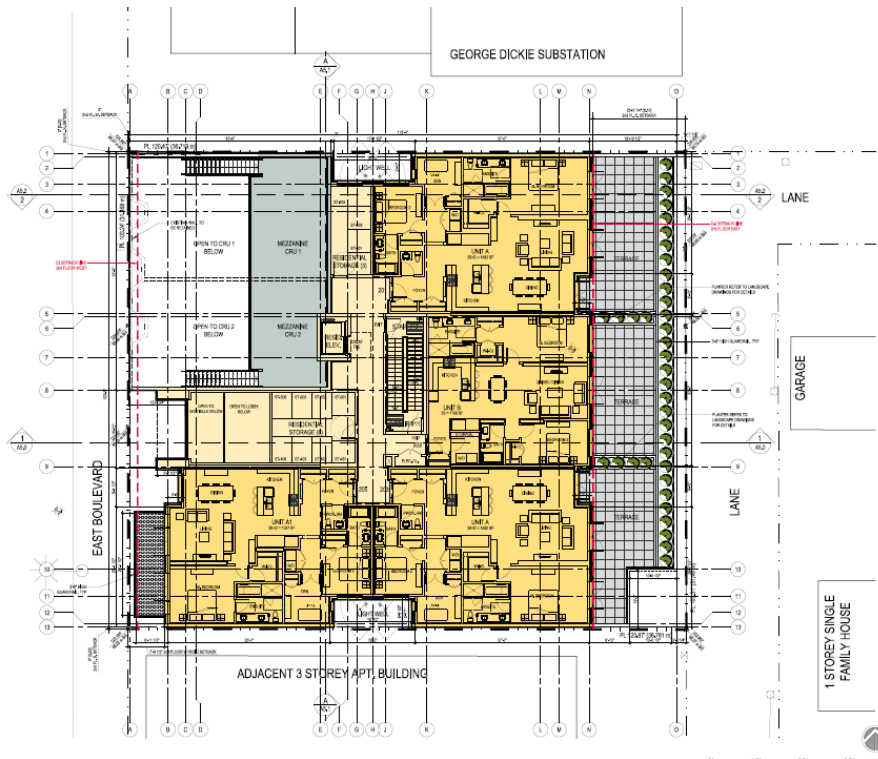


Map 2: Fire Insurance Map circa 1962

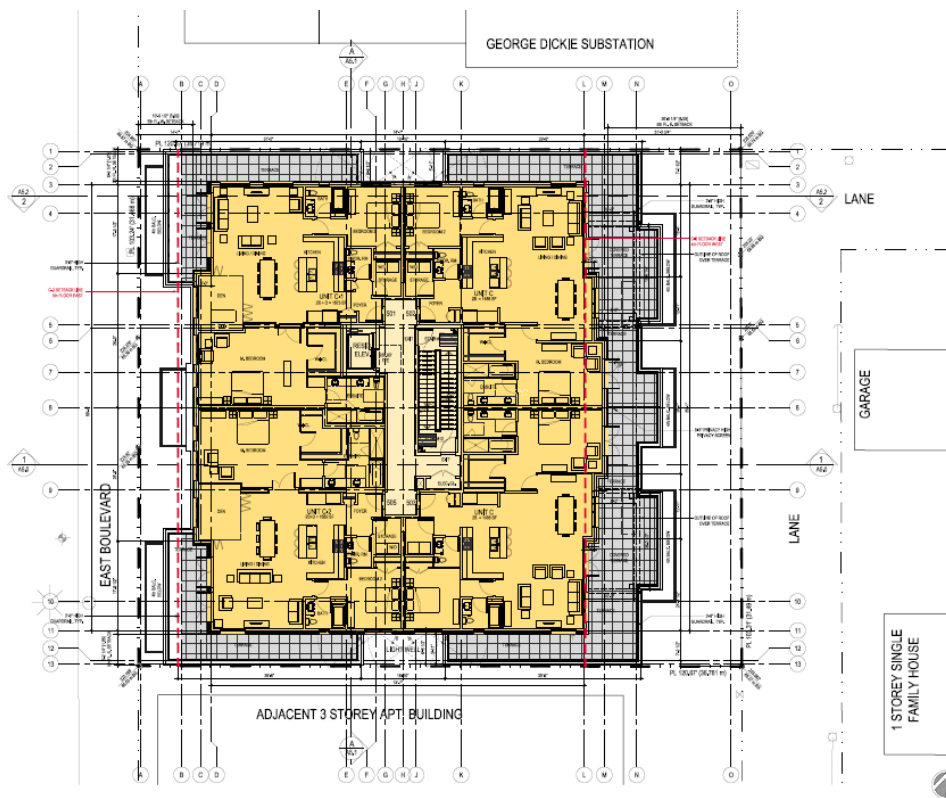
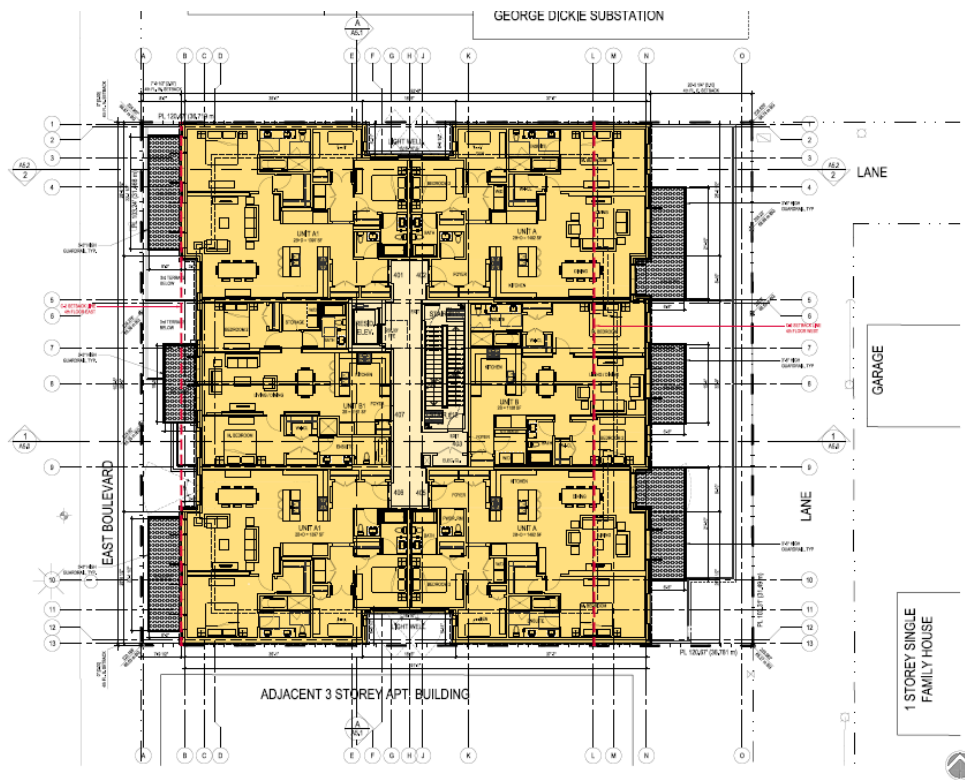
The Kirkland's Metal Shop is noted as a 'Tin Smith' on the map. The large Sub-station to the north still exists as does the Belhalen Apartments on West 46th Avenue.



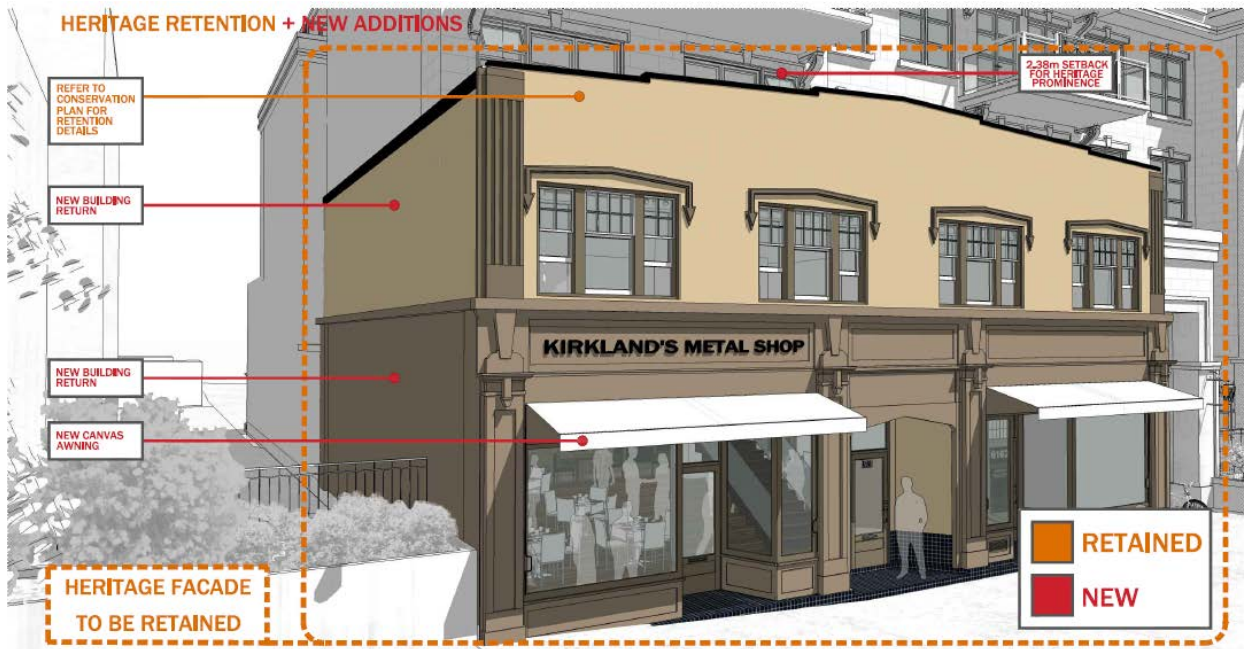
Main Floor Plan



Second and Third Floor Plans



Fourth and Fifth Floor Plans



Façade Retention and Side Wall Replication Strategy



West Elevation



East (Rear) Elevation



Section Through Parking Ramp (Looking South)



Rendering: Looking South-West From East Boulevard

6158 East Boulevard
TECHNICAL ZONING SUMMARY

Table 1: Zoning Summary

Regulations of the C-2 District Schedule	Required or Permitted	Proposed
Section 4.3.1(b) Height (for portions of the building at least 6.1 metres but not more than 10.7 metres from the rear property line)	10.7 metres (35.10 feet) Maximum	17.3 metres (56.75 feet) (south-east corner of roof over fifth floor covered terrace)
Section 4.3.1(c) Height (for portions of the building at least 10.7 metres from the rear property line)	13.8 metres (45.28 feet) Maximum	19.8 metres (65.12 feet) (roof over entry to the south-east private terrace)
Section 4.4.1(a) Front Yard	0.6 metres (1.97 feet) Minimum	0 metres (0.00 feet)
4.7.1(a) Overall Density	2.50 FSR 2892 m ² (31,135 square feet)	3.09 FSR 3577 m ² (38,501 square feet)
4.7.1(b) Overall Dwelling Density (when in conjunction with other uses)	2.15 FSR 2487 m ² (26,776 square feet)	2.83 FSR 3269 m ² (35,191 square feet)
4.7.1(b) Dwelling Density Above the First Storey	1.75 FSR 2025 m ² (21,795 square feet)	2.57 FSR 2970 m ² (31,972 square feet)

6158 East Boulevard
RESOLUTIONS OF THE VANCOUVER HERITAGE COMMISSION AND STAFF COMMENTS

On March 15, 2016, the Vancouver Heritage Commission reviewed the DP Application and made the following Resolution:

THAT, while the Vancouver Heritage Commission does not normally provide support for simple facade retention, the Commission recognizes that this specific site is challenged by a number of site conditions including restrictions on height, density and soil contamination and therefore the Commission supports that the application for the facade conservation presented on March 14, 2016, for 6158 E Boulevard, Kirkland's Metal Shop, be approved;

FURTHER THAT the Commission requests that further design consideration be given to reducing the distraction of the ornate metal and the textured brick wall surfaces on the main building; and

FURTHER THAT the Commission request further design development to recess the lobby entrance of the residential doorway.

CARRIED UNANIMOUSLY

Staff Comments:

As part of the final design development of the proposal the applicant will review the design of the new building portion with respect to addressing the ornamentation on the building and the design of the entrance area.

6158 East Boulevard SHADOW ANALYSIS



DECEMBER: 9:00 am



DECEMBER: 12:00 Noon



DECEMBER: 3:00 pm



EQUINOX: 9:00 am



EQUINOX: 12:00 Noon



EQUINOX: 3:00 pm



JUNE: 9:00 am



JUNE: 12:00 Noon



JUNE: 3:00 pm

6158 East Boulevard
PUBLIC BENEFITS SUMMARY

Project Summary:

Rehabilitation, conservation, and designation of the heritage building's primary facade

Public Benefit Summary:

The project would result in the conservation and long-term protection of a heritage resource.

	Current Zoning	Proposed
Zoning District	C-2	HRA
FSR (site area = 1,157 m ² (12,447 sq. ft.).	2.50	3.09
Buildable Floor Space (sq. ft.)	31,135	38,501
Land Use	Industrial/ Commercial	Residential/ Commercial

Public Benefit Statistics		Value if built under Current Zoning (\$)	Value if built under Proposed HRA (\$)
Required*	DCL (City-wide)	414,400	512,450
	DCL (Area Specific)		
	Public Art		
	20% Social Housing		
Offered (Community Contribution)	Childcare Facilities		
	Cultural Facilities		
	Green Transportation/Public Realm		
	Heritage		860,000
	Housing (e.g. supportive, seniors)		
	Parks and Public Spaces		
	Social/Community Facilities		
	Unallocated		
Other			
TOTAL VALUE OF PUBLIC BENEFITS		\$414,400	\$1,372,450

Other Benefits: (non-quantified components): None

Note: DCLs, Public Art and Social Housing may have exemptions and/or minimum thresholds for qualification. For the City-wide DCL, revenues are allocated into the following public benefit categories: Parks (41%); Replacement Housing (32%); Transportation (22%); and Childcare (5%). Revenue allocations differ among Area Specific DCL Districts.