



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: November 21, 2016
Contact: Jerry Evans
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RTS No.: 11756
VanRIMS No.: 08-2000-21
Meeting Date: December 13, 2016

TO: Vancouver City Council
FROM: General Manager of Real Estate and Facilities Management
SUBJECT: Bequest of Heritage House to the City of Vancouver - 2850 West 3rd Avenue

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; and (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

RECOMMENDATION

- A. THAT Council authorize the execution of a Deed of Gift for the bequest to the City of that heritage-designated residential property situate at 2850 West 3rd Avenue and legally described as: PID 013-838-024, Lot 5 of Lot 2, Block 28, District Lot 192, Plan 2375, (the "Subject Property") as seen in Appendix A, upon such terms and conditions satisfactory to the Directors of Real Estate Services and Legal Services.
- B. THAT Council authorize the issuance of a tax receipt to the donee for the 2016 taxation year in an amount equal to the fair market value of the Subject Property.
- C. THAT expenditures, including ongoing repair and maintenance of the Subject Property be funded by the revenues from the rental of the Subject Property until such time as it is assigned a civic or community use, when it will be designated a Capital Asset.

- D. THAT the City's Director of Legal Services be authorized to sign all required legal agreements approved pursuant to Recommendation A on behalf of the City.
- E. FURTHER THAT no legal rights or obligations shall arise or be created by Council's approval of Recommendation A unless and until and then only to the extent that each applicable agreement is executed and delivered by the City and all applicable counterparties.

REPORT SUMMARY

The City is the named recipient of the Subject Property under the last will and testament (the "Will") of Mr. Eric Manford Pierce. The Subject Property is currently tenanted as a single-family dwelling and is generating revenue of s.17(1). The executors and beneficiaries of Mr. Pierce's estate (the "Estate") wish to complete the bequest to the City before year-end in order to optimize the tax position of the Estate.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Per section 152 of the *Vancouver Charter*, the City may accept any property devised, bequeathed, conveyed or otherwise transferred to it, subject to any trusts on which the property is transferred.

Per section 190 of the *Vancouver Charter*, Council authority is required to acquire or dispose of civic properties.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Real Estate and Facilities Management recommends approval of the foregoing.

REPORT

Background/Context

The Subject Property, known as Pierce House, is located at 2850 West 3rd Avenue and is within a section of older homes on the city's west side, one half block west of MacDonald Street and one half block north of West 4th Avenue. The Subject Property is listed in the "C" evaluation category on the Vancouver Heritage Register and was designated as protected Heritage Property at the Public Hearing on October 4, 2005 (RTS 5127). This designation was initiated by Mr. Pierce on a voluntary basis. This two storey wood frame house built circa 1909 has significance in the broader context: it is part of a collective streetscape of ten (10) buildings on the Heritage Register. Its style is a transition of Edwardian massing and Craftsman detailing including a full width front porch with support posts featuring granite bases and flared upper piers.

Mr. Pierce, a long-time resident of Vancouver, passed away on February 26, 2011 at the age of 91, leaving behind a sizeable Estate which included the Subject Property. Mr. Pierce was predeceased by his wife of 58 years, Florence Emmaline Pierce, and had no children. A grant of probate was issued to the executors named in the Will (the "Executors") on August 14, 2012, in the Supreme Court of British Columbia. The Will provided, among other things, for the donation of the Subject Property to the City of Vancouver in honour of Mr. Pierce's late wife, who had contributed greatly to preserving the heritage character of the Subject Property (see obituaries for Mr. and Mrs. Pierce attached as Appendix C). During his lifetime, Mr. Pierce was dedicated to providing affordable housing for university students and others with marginal income, and his Will sets out his wish that the Subject Property be used to benefit the citizens of Vancouver.

Although Community Services is in the process of reviewing all the City's social infrastructure requirements through the social infrastructure plan, there is a confirmed need for social purpose assets in this neighbourhood. Accordingly Community Services plans to use the Subject Property for social purposes and is in discussions with several potential non-profit agencies that have an interest in running programs in the Subject Property. There will be an open process for choosing a non-profit operator, with staff reporting back to Council with a recommended operator once the process is complete.

s.13(1)



s.13(1)



Implications/Related Issues/Risk (if applicable)

Financial

Any costs associated with the Subject Property will be charged against building revenues. Any rents received from the Subject Property will be credited to the PEF until the property is utilized for civic or community purposes when it will be designated a Capital Asset. Revenue and expenditures, including ongoing repair and maintenance of the Subject Property, will be included in the annual PEF Operating and Capital Budgets as part of the annual budget process until the Subject Property is designated a Capital Asset.

Staff has completed a preliminary evaluation of the condition of the Subject Property and has recommended a s.17(1) reserve be identified for future capital maintenance (including associated hazardous materials abatement) for the next six (6) years. Currently the Subject Property is in good/fair condition.

The Subject Property is currently tenanted as a single family dwelling and is generating revenue of s.17(1). It is anticipated that the rental revenue will cover any maintenance issues while an appropriate community use for the Subject Property is determined, which may form the subject of a future report to Council.

Staff have initiated an appraisal of the Subject Property to determine the fair market value for the purposes of the issuance of the requested tax receipt. The tax receipt will be based on fair market value.

Environmental

A Phase 1 Environmental Site Assessment was not completed due to the current and historical residential land use of the Subject Property and surrounding area. The risk of environmental contamination is low. An underground heating oil tank was removed from the property in 2006.

The building is suspected to contain hazardous building materials such as asbestos and lead paint. Once the City retakes possession of the Subject Property at the end of the tenancy, the City's Hazardous Material Team will conduct a hazardous materials survey and will complete any abatement required as part of any planned capital maintenance upgrades. Based on the building age and materials, and capital maintenance plan, associated abatement costs are estimated to be s.17(1)

Zoning and Permitted Uses

The Subject Property is located in the RT-8 Zoning District, being situated in what is primarily a residential neighbourhood from West 3rd Avenue and north to Point Grey Road, and bordering the commercial and multi-family corridor along West 4th Avenue immediately to the south (refer to the map in Appendix B). The heritage designation of the Subject Property supports the intent of the RT-8 District Schedule to encourage the retention and restoration of existing buildings to maintain a style and form consistent with the historical character of the area.

The current use as a single-family dwelling is permitted under the current RT-8 zoning. A number of conditional approval uses may be permitted under this zoning. Some of these uses which staff are considering as most likely for potential long-term use of the property include (as identified under the Zoning and Development By-law):

- Multiple Conversion Dwelling
- Club
- Seniors Supportive or Assisted Housing
- Social Service Centre
- Group Residence

Staff aim to explore the viability of these possible long-term uses, with the intention of reporting back to Council on the matter.

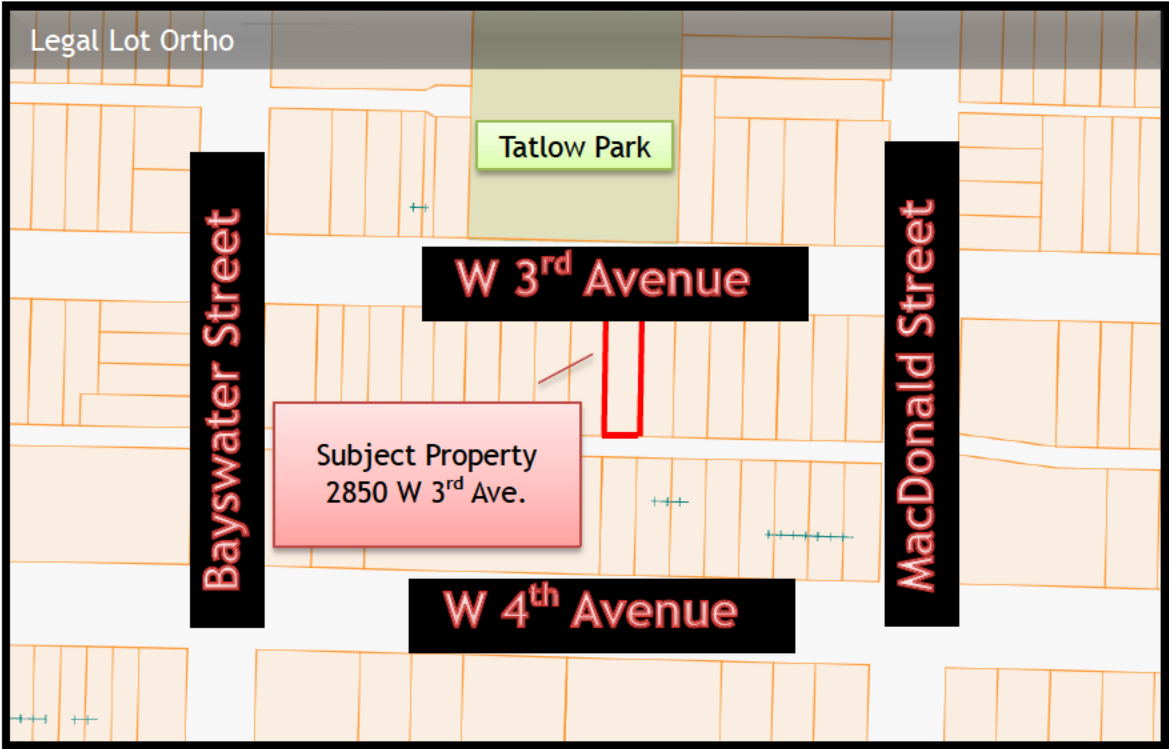
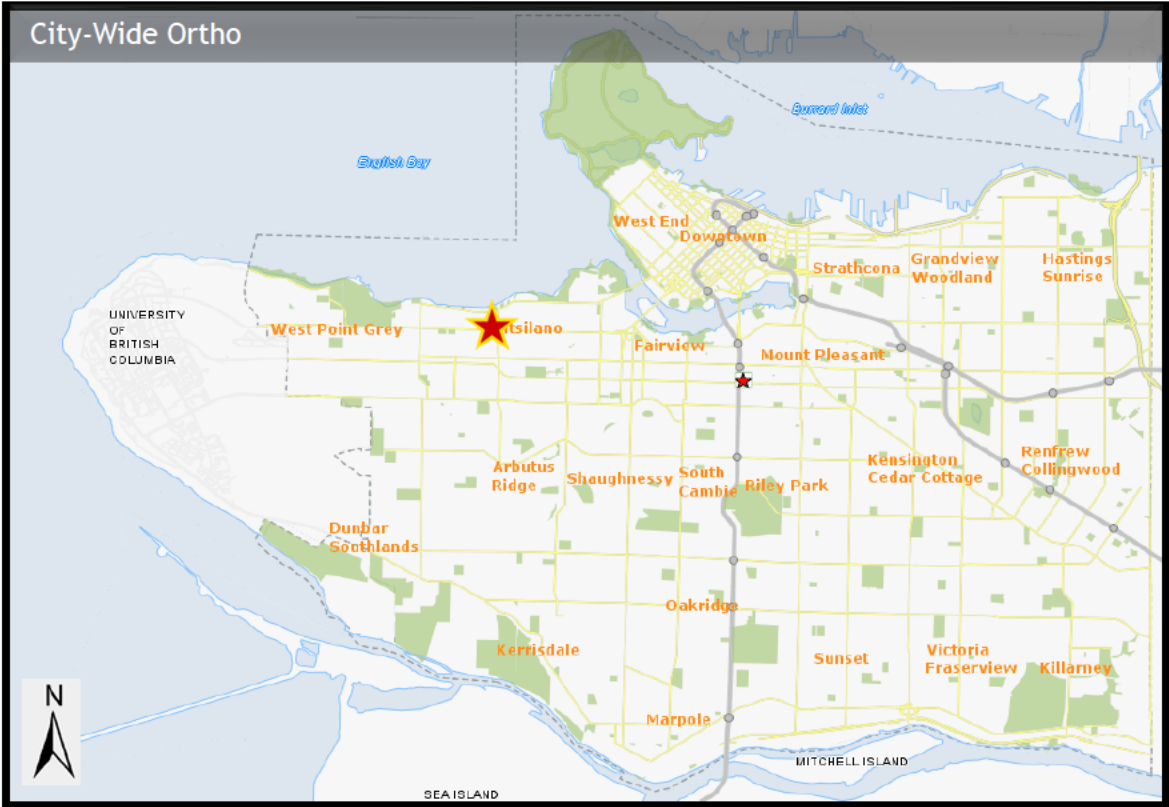
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CONCLUSION

The City has been provided a very unique opportunity to acquire a heritage asset with no conditions attached, except the heritage designation, due to the foresight and generosity of one of its long-time residents, Mr. Eric Manford Pierce and his wife Florence Emmaline Pierce.

While the immediate and short-term use of the Subject Property would be to continue the residential tenancy currently in place, staff will seek to report back to Council concerning the longer term use for social purposes.

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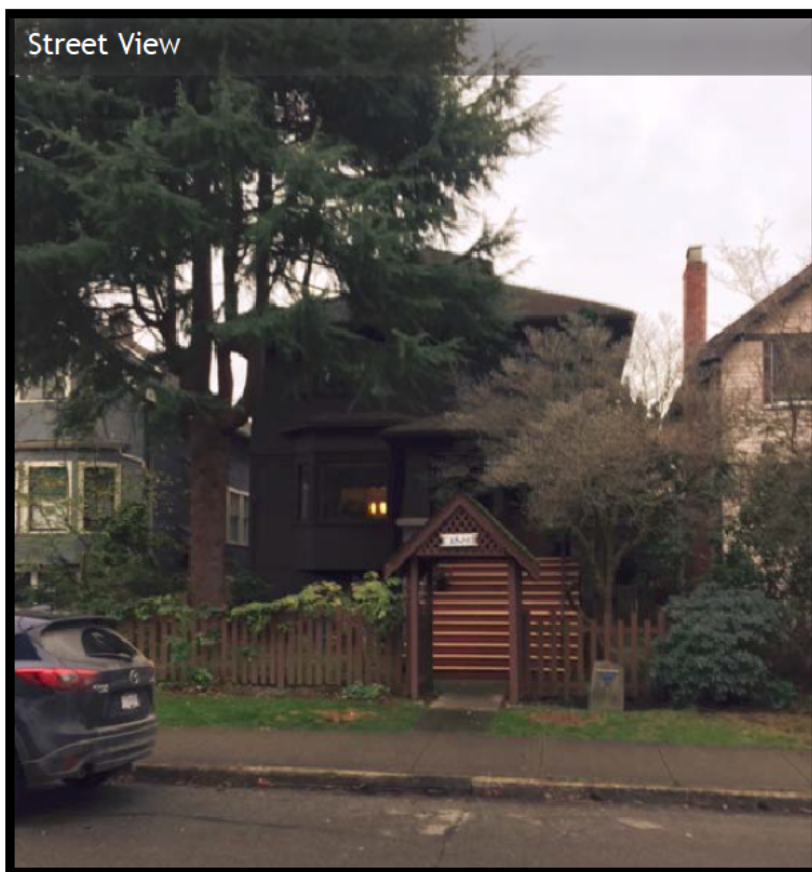
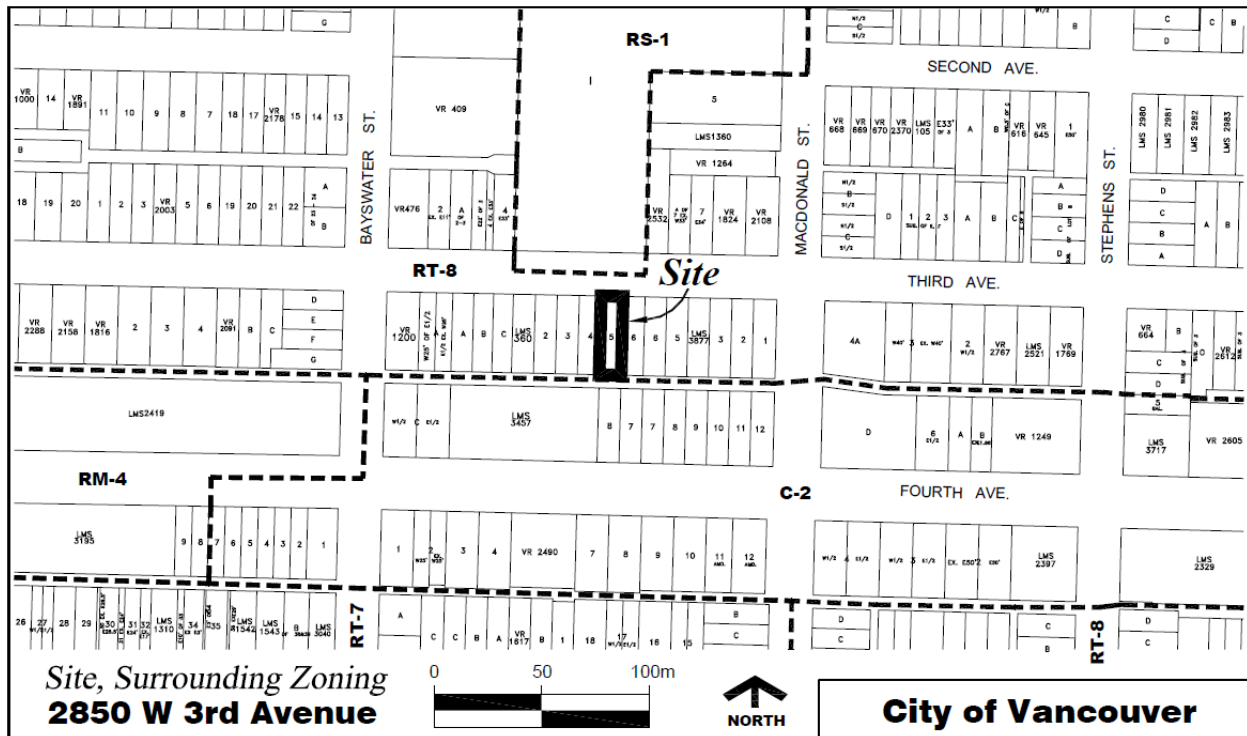


Photo: November 20, 2016



Eric Manford PIERCE

Obituary



PIERCE, Eric Manford Eric Manford, D.F.M. crossed the Great Divide on February 26, 2011 at age of 91 , born in Calgary, Alberta on January 5th 1920. Predeceased by his wife Florence of 58 years in 2002. Early in 1940 he enlisted in the Royal Canadian Navy and served briefly on the Prince Robert. As his interests were more on flying and while still in the Navy he took flying training and soloed in Vancouver and later transferred to the Royal Canadian Air Force. He underwent flying training in Ontario and Manitoba after which he was transferred overseas and attached to the Royal Air Force. Late in 1941 he served proudly with the 104th Royal Air Force squadron and flew in the battles of Malta, Egypt and Libya. Close to the end of the North African campaign he was posted to Royal Air Force operational and navigation stations in eastern Canada. In January 1945 he was posted to the famed Royal Canadian Air Force 168 transport squadron and subsequently returned to the European area in support of front line troops. At the conclusion of hostilities the resources of 168 squadron were directed to transatlantic flying to different parts of Europe and the Middle East and providing humanitarian aid and mail delivery. The aircraft at the time were propeller driven, unpressurized modified wartime bombers and transport which flew at lower levels through often extreme weather and icing conditions-- unlike the modern jet aircraft which fly above the weather. On one notable flight he served as navigator under Air Commodore and later Air Vice Marshal Plant in delivering badly needed penicillin from Ottawa to war-torn Warsaw Poland. As the Royal Canadian Air Force was fast-moving into peacetime routine in late 1946, it became time for him to leave the Service after attaining the rank of Flight Lieutenant and seek out a new career. He moved with wife Florence to Vancouver and enrolled at the University of B.C. for graduate and later post graduate studies. In 1953 he joined the B.C. Corrections Service where he moved up the ladder over a period of 29 years to a headquarters position and retired in 1982. Not been satisfied with not doing anything that he felt was constructive he became increasingly involved in providing affordable housing for University students and others with marginal income to which he devoted his energies almost up to the time of his decease. He leaves sisters and brothers-in-laws in Kelowna and Westbank and many nieces and nephews across British Columbia, Canada and the United States. A private family Committal Service will be held and entombment alongside his wife Florence in the Ocean View Mausoleum, Burnaby.

Published in Vancouver Sun and/or The Province on Mar. 5, 2011

Florence PIERCE

Obituary

PIERCE _ Florence Emmaline, born in Saint John, New Brunswick, June 3, 1917. Passed away suddenly at home August 6, 2002 after a lengthy battle with a heart condition. Educated in Black's Harbor and Saint John, New Brunswick. Married Eric Pierce in May, 1944 and moved with him to Vancouver after his retirement from the Canadian Air Force in late 1946 where she has since resided. Employed in the credit department of Shores Jewellers and later in the accounts section of the National Harbour Board. Florence will be lovingly remembered by her husband Eric of 58 years. Survived by sisters Almeda Paynter (John), Dorothy Ford of Kelowna and Westbank and Allison Noel (Sidney) of Cape Cod, Mass. U.S.A. Also nieces and nephews. Private family committal and entombment in the Ocean View Abbey Mausoleum, Burnaby.

Published in The Vancouver Sun on Aug. 13, 2002