



MEMORANDUM

July 13, 2005

TO: Mayor Campbell and Councillors

CC: J. Rogers, City Manager
B. MacGregor, Deputy City Manager
S. Baxter, City Clerk
J. Forbes-Roberts, General Manager, Community Services
T. Timm, General Manager of Engineering Services
S. Mundick, General Manager, Park Board
C. Gray, Director of the Housing Centre
S. Harvey, Managing Director of Cultural Services
B. Maitland, Director of Real Estate Services
K. Bayne, Director of Financial Planning and Treasury
F. Connell, Director of Legal Services

FROM: L. Beasley, Director of Current Planning

SUBJECT: Rezoning of 898 Seymour Street and 887-897 Richards Street from DD to CD-1: COMMUNITY AMENITY CONTRIBUTION

RECOMMENDATIONS

- F. THAT, given the property owner's offer of a community amenity contribution of \$6 million (cash), this contribution is accepted and is to be secured prior to enactment of the CD-1 By-law, at no cost to the City and on terms and conditions satisfactory to the Director of Legal Services, and subject to the provisions of Recommendation E. above, as follows:
- (i) contribution of \$2,000,000 for the pursuit of City cultural objectives to the satisfaction of the Managing Director of Cultural Affairs,
 - (ii) contribution of \$2,000,000 to the Affordable Housing Fund to the satisfaction of the Director of the Housing Centre, and
 - (iii) contribution of \$2,000,000 for park acquisition and development at Emery Barnes Park (Downtown South) to the satisfaction of the General Manager of Parks and Recreation.
- G. THAT a correction be made in Recommendation A. (c) (ix) to replace "19 509 m²" by "1 950 m²".

BACKGROUND

In the report **Rezoning of 872-898 Seymour Street and 887-8997 Richards Street from DD ('C') to CD-1** (report dated June 7, 2005), staff advised that negotiations in respect of a community amenity contribution were not yet concluded and therefore that staff would report their recommendations on this matter at the Public Hearing.

DISCUSSION

Rezonings on the downtown peninsula are "non-standard", for which the community amenity contribution (CAC) that an applicant may decide to offer the City is determined through a negotiated approach rather than a flat rate. In these cases, the increase in land value expected to be generated by rezoning approval establishes a City expectation that the property owner will make voluntary CAC to the City of some portion of this increased value.

Real Estate Services have estimated a land lift of \$7,900,000 based on the site's increase in residential floor area, as will be allowed by the CD-1 By-law but taking into account the fact that less-remunerative public parking will be provided in place of other commercial floor area.

The property owner and developer, Solterra Development Corp. has reviewed the numbers and offers the following in response to Financing Growth (CAC) Policy:

- the purchase and transfer of heritage density from a suitable donor site equivalent to a 10 percent increase in floor area, as is possible in a development application without rezoning - this heritage density, in the amount of 1 950 m² (21,000 sq. ft.), is estimated to have a value of \$1,050,000;
- a cash CAC in the amount of \$6 million.

The total CAC offered is \$7,050,000, which represents 89% of land lift and is within the range of offers in recent rezonings (71 - 91 percent). Staff support and recommend approval of this CAC.

City Council approval of **RECOMMENDATION F.** above would accept the offer of the cash CAC, and would further approve an allocation of CAC to the pursuit of various City objectives, as recommended by an inter-departmental staff committee. Striving to achieve a balance between heritage conservation, affordable housing, social/cultural and related objectives, staff recommend the following allocation:

- purchase and transfer of 1 951 m² (21,000 sq. ft.) of heritage density from a suitable donor site, with estimated value of \$1,050,000;
- contribution of \$2 million for City cultural objectives, including Civic Theatres (e.g. Orpheum and Queen Elizabeth Theatres);
- contribution of \$2 million to the Affordable Housing Fund; and
- contribution of \$2 million for further land acquisition and development of Emery Barnes Park in Downtown South.

The appropriate staff will report back in due course on the specific utilization of these funds for Council approval.

A recommendation regarding approval of the proposed heritage density transfer is already contained in Recommendation A. of the Public Hearing recommendations, but a correction is required as set out in **RECOMMENDATION G.**

FINANCIAL IMPLICATIONS

The value to the City of the proposed rezoning and development is an estimated \$11,120,000 as follows:

Public Art	\$370,000
Heritage	\$1,050,000
Community Amenity Contribution	\$6,000,000
Development Cost Levies	\$3,700,000
Total	\$11,120,000

CONCLUSION

The Director of Current Planning recommends approval of F. and G. above.

L. Beasley

LBB/PM/ws