



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: December 16, 2005
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Phone No.: 604.871.6077/ 6448
RTS No.: 05553
CC File No.: 1401-88
Meeting Date: January 24, 2006

TO: Vancouver City Council

FROM: The Director of Current Planning

SUBJECT: Heritage Building Rehabilitation Program - 1 West Hastings Street
DE 409320

RECOMMENDATION

- A. THAT Council authorize the City to enter into a Heritage Revitalization Agreement for the site at 1 West Hastings Street, to rehabilitate and adaptively re-use the "A" listed heritage building and to grant a density bonus of 54,403 sq.ft. available for transfer off site.
- B. THAT Council require a covenant providing that the density bonus not be available for transfer until the rehabilitation is complete, unless the owner secures completion of the rehabilitation by a separate agreement.
- C. THAT, subject to approval of RECOMMENDATION A, Council instruct the Director of Legal Services to prepare a Tax Exemption Bylaw for 1 West Hastings Street for a property tax exemption which is not to exceed a value of \$385,693 or a period of ten (10) years, which ever comes first.
- D. THAT, if the Tax Exemption By-law receives the assent of electors, or is deemed approved by the electors under the Vancouver Charter, the Director of Legal Services bring forth a Tax Exemption By-law providing that:
 - If issuance of an occupancy permit for the heritage rehabilitation work authorized under Development Application Number DE 409320 occurs before October 31st, the tax exemption period for 1 W Hastings Street will begin on January 1st of the next calendar year;

- If issuance of an Occupancy Permit for the heritage rehabilitation work authorized under Development Application Number DE 409320 occurs after October 31st, the tax exemption period for 1 W Hastings Street will begin on January 1st of the calendar year after the next calendar year; and

If the owner of the property does not fulfill all requirements necessary to obtain an Occupancy Permit within sixty (60) months after the enactment date of the Tax Exemption By-law, it will have not further force or effect.

- E. THAT, subject to the approval of Recommendation A Council authorize two façade grants for a total of \$100,000 (\$50,000 for each principal façade) with funding to be provided from the 2005 Capital Budget. Approval of this recommendation requires eight (8) affirmative votes.
- F. THAT the agreements shall be prepared, registered and given priority to the satisfaction of the Director of Legal Services in consultation with the Director of Planning.
- G. AND THAT Council instruct the Director of Legal Services to bring forward for enactment a by-law to authorize the Heritage Revitalization Agreement.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the A, B, C, D, E, F and G.

COUNCIL POLICY

Transfer of Density Policy and Procedure

Heritage Building Rehabilitation Program Policies and Procedures for Gastown, Chinatown and Hastings Street Corridor.

SUMMARY AND PURPOSE

This report seeks Council's approval to enter into a Heritage Revitalization Agreement (HRA) which will allow for two façade grants, a property tax exemption, transferable bonus density, and residual density to secure the rehabilitation and long term conservation of the "A" listed heritage building at 1 West Hastings Street.

BACKGROUND

In November 2002, City Council approved the Gastown, Chinatown Heritage Management Plan. The Heritage Building Rehabilitation Program (HBRP), a key component of the Plan, was implemented in July 2003, and was later extended include the Hastings Corridor and Victory Square. The program is available for a five-year period (2003 - 2008) to initiate economic activity in these historic areas. The objective is to encourage owners to rehabilitate their heritage buildings by compensating them for "shortfall costs". These costs are defined as the amount required to make a project viable when a major building upgrade is completed. The City determines the amount of each incentive through site-specific analysis and compensation is given to the owner through various tools in the following order:

- Historic Places Initiative (HPI) grants
- Façade Grant
- Property Tax Exemption
- Transferable Bonus Density

As an added incentive for preserving buildings that contribute to the distinctive character of historic Chinatown, the HBRP allows the City to authorize transfer of notional residual density off-site, as part of the bonus density allocation. It is referred to as notional density as there are no FSR regulations in Chinatown, therefore the main factor in regulating development potential is the height limit. Based on this, Council established as part of the HBRP that "residual" density is the difference between 5.5 and the on-site FSR.

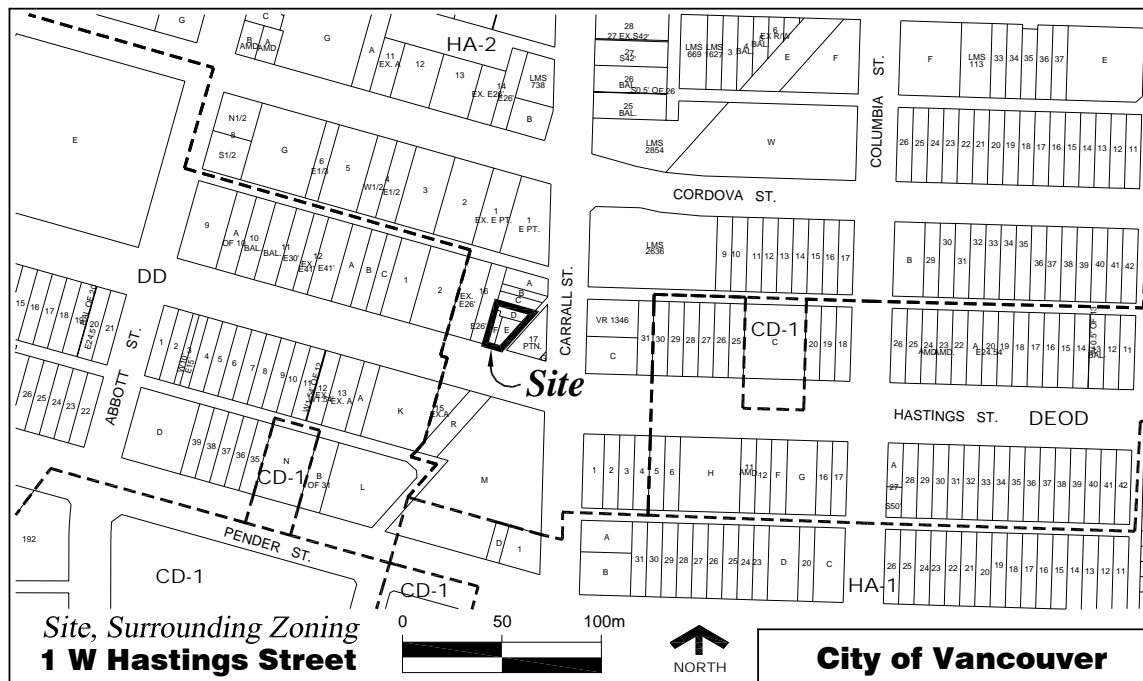
Historic Places Initiative (HPI) is a Federal Government heritage building incentive program that awards commercial building owners 20% of the total rehabilitation costs, up to a \$1,000,000 maximum, in the form of a cash grant after the work is completed. As the owner of 1 West Hastings Street is not a commercial company, this project is not eligible for the federal grant.

The Heritage Building Rehabilitation Program has been successful to date with 9 projects approved since implementation in mid-2003, 12 applications currently in process and another 10 proposals under development.

DISCUSSION

Development Proposal: A development application has been submitted by Sean McEwen Architect to renovate and adaptively reuse the "A" listed heritage building for a restaurant in the basement including use of the existing areaway space which is to be subject to the approval of the General Manager of Engineering Services, an artist- run commercial art gallery and office use on the main floor, office (media use) on the second and third floors, and the addition of a partial storey (800 sq.ft.) to the roof for a meeting room.

The site is located on the north side of West Hastings at Carrall and Hastings Streets, immediately to the west of Pigeon Park (the former CPR Right-of-Way). The existing building is an imposing three-storey stone Beaux Arts (Neoclassical Revival) commercial structure located on the north side of the 00 block of West Hastings at the corner of Carrall Street, on the southern fringe of Vancouver's historic Gastown district.



Heritage Value: The value of 1 West Hastings Street lies in its historic role as a bank building in the City's early financial district, on the edge of the Gastown mixed-use area. The Montreal-based Merchants Bank first established Vancouver offices in 1906 at 337 Carrall Street, before moving to the newly-constructed branch at 1 West Hastings Street in 1913. The building was designed by the established architectural firm of Somervell & Putnam.

The value of the property also lies in the architecture. Although modest in comparison with other "temple banks" being built at the time, 1 West Hastings incorporates many characteristics of the style, including carved granite cladding, Corinthian-style pilasters, a festooned frieze, an elegant cornice, and a prominent corner location. The bank's once equally elegant interior has been renovated beyond recognition. To function, the basement has relied on the existing areaway which covers an area of some 810 square feet in total under both Hastings Street and the 8 foot wide City lane between the site and Pigeon Park.

The siting of the building on the property is significant in that the principal façade was angled to accommodate the Canadian Pacific Railway spur line to False Creek. The removal of the tracks in 1931 led to the creation of nearby Pioneer Place, also known as Pioneer Square, or Pigeon Park. This area has both influenced and reflected the character of its surroundings, as the site of labour unrest during the Great Depression, and now as a meeting place for the community's low-income residents.

Conservation Plan: The proposal is to rehabilitate the existing three storey heritage building and to add a one storey setback addition. The Conservation Plan includes rehabilitation and restoration of the building's structure, exterior, many interior features and finishes (such as the pilaster detailing and ornate ceiling coffers of the ground floor), and rehabilitation of the existing areaway, which is to be subject to conditions as established by the General Manager of Engineering Services.

Adaptively re-using this building involves replacing one of the ground floor windows fronting onto Pigeon Park with a pair of large glazed doors, detailed to compliment the building's existing exterior doors. The door addition is aimed to strengthen the connection of the interior with the public space. An additional stair, elevator, and 800 sq. ft. mezzanine will be inserted into the former Banking Hall.

Rehabilitation Cost: In order to make the project viable, the owner is seeking compensation through the Heritage Building Rehabilitation Program, consisting of two façade grants, ten year property tax relief, and transferable bonus density. In accordance with Council's Heritage Building Rehabilitation Program Policies and Procedures, staff reviewed the applicant's cost calculation and undertook an independent analysis. Staff conclude that a total cost of \$ 3,205,864.00 is justified for compensation in the following manner:

1 W. Hastings				
	Category	Value / \$		Bonus Density Implication / sq.ft.
	Shortfall Cost		\$ 2,997,614.00	
Federal Government Incentive	Federal Historic Places Initiative (FHPI)	\$0.00		
	Shortfall Cost after FHPI (To be matched by COV)		\$ 2,997,614.00	
Heritage Building Rehabilitation Program (HBRP) Incentives	Façade Grants	\$100,000.00		
	Property Tax	\$385,693.00		
	Bonus Density (to meet the Shortfall Cost)	\$2,511,921.00		50,238
	Shortfall Cost Compensation	\$2,997,614.00		
Additional Incentive	Notional Residual Density	\$208,250.00		4,165
	Transferable Bonus Density			54,403
	Total Compensation \$ (Shortfall Cost Compensation + Notional Residual Density)	\$3,205,864.00		

Tax Exemption By-law Process: The Vancouver Charter lays out the requirements for an enabling tax exemption by-law and notification process for the public. If Council approves the recommendation to provide a property tax exemption, staff will advertise notice of the proposed by-law as required by the Charter, and state that Council may adopt the by-law after 30 days unless more than 1/20th of electors petition Council. If 1/20th or fewer electors petition Council within the 30 day period, the Charter deems that the electors have approved the tax exemption, and Council can proceed to enact the by-law. If more than 1/20th of electors petition Council, then a further report will recommend to Council whether or not to seek the assent of electors and the process required to do so.

The Property Tax Exemption By-law will stipulate the terms under which the recommended property tax exemption will be provided. The By-law will provide a complete property tax exemption to the property for the period necessary to achieve the stipulated tax exemption of \$385,963 after which the property will be fully taxable. Should the entire amount not be achieved in a ten (10) year period, the exemption will expire and the property will become fully taxable. If the Occupancy Permit is issued before October 31, the exemption will be effective in the taxation year immediately following. If the Occupancy Permit is issued after October 31, the exemption will be effective in the second following taxation year. Staff will provide an annual report to Council on the status of this and other exemptions approved under the program.

Inventory of Unsold Density: The balance of available heritage density approved by Council, but unsold on November 15, 2005 was 329,488 sq. ft. If Council were to approve the recommended HRA for 1 West Hastings Street, the amount of 54,403 sq.ft. (50,238 sq. ft. to meet Shortfall Cost and 4,165 sq. ft. of notional residual density) will be added to the inventory of available heritage density, totalling 383,891 sq.ft.. Staff support this balance.

REVIEW AND NOTIFICATION

Public Consultation: Following standard notification procedures, 839 surrounding property owners were notified and invited to comment on the proposal. Staff received 3 responses: one supportive of all aspects of the proposal, noting the added value to the neighbourhood in keeping the heritage building; and, two supportive of the rehabilitation, but one preferring to see affordable housing rather than commercial use, and the other one preferring to see no addition at all to the top.

Staff reviewed these comments in the context of Council's policies and concluded that commercial use was supported at this location. In addition, the design guidelines for the Gastown Heritage area, which were derived after a lengthy community review, supports one storey compatible additions to heritage buildings.

Comments from the Advisory Bodies: An application was presented to GHAPC (Gastown Historic Area Planning Committee) on May 18, 2005, and was supported, including the proposed conservation approach, setback for third storey addition, rehabilitation of areaway, proposed uses and introduction of the new entry door.

On May 16, 2005, the Vancouver Heritage Commission reviewed this application and supported it with a suggestion that the new door facing Pigeon Park be designed in a distinguishable but compatible manner, expressing its contemporary use. The Commission encouraged the applicant to preserve as much as possible, the historic fabric and finishes in the interior.

FINANCIAL IMPLICATIONS

The 2003-2005 Capital Plan provides \$1.5 million for the façade grants program. Over the last two years, \$585,000 in grants were approved for façade rehabilitation projects. Staff

recommend approval of the total grant of \$100,000 (\$50,000 for each principal façade) with funding to be provided from the 2005 Capital Budget for Façade Grants.

CONCLUSION

Rehabilitating the historic building at 1 West Hastings is consistent with the City's Heritage Building Rehabilitation Program policies and procedures. The proposed façade grants, tax exemption, transferable density bonus and residual density would compensate the owner for the cost involved in rehabilitating this "A"-listed Heritage Register building. The recommended Heritage Revitalization Agreement and associated covenant will secure the City's interest of ensuring the buildings are promptly rehabilitated and maintained in perpetuity.

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Legal Description
Lots 11, 12, 13 of L28117
Block 3
Old Grand Trunk
Plan 6135

Development Statistics

Site Area: 3150 sq. ft.
Zoning: HA-2

Existing and Proposed Main Floor Area: 3150 sq. ft.
Existing Basement (Gross Floor) Area: 346 sq. ft.
Proposed New Main Floor and Sub Area: 1145 sq. ft.
Existing and Proposed Second Floor Area: 2280 sq. ft.
Existing and Proposed Third Floor Area: 2280 sq. ft.
New Active Floor Area: 800 sq. ft.

Total Existing and Proposed Floor Space: 10,010 sq. ft.
(3,185 ESN)

Existing and Proposed Basement Area: 3150 sq. ft.
plus 803 sq. ft. in existing driveway on CV property.
Total of 3953 sq. ft.

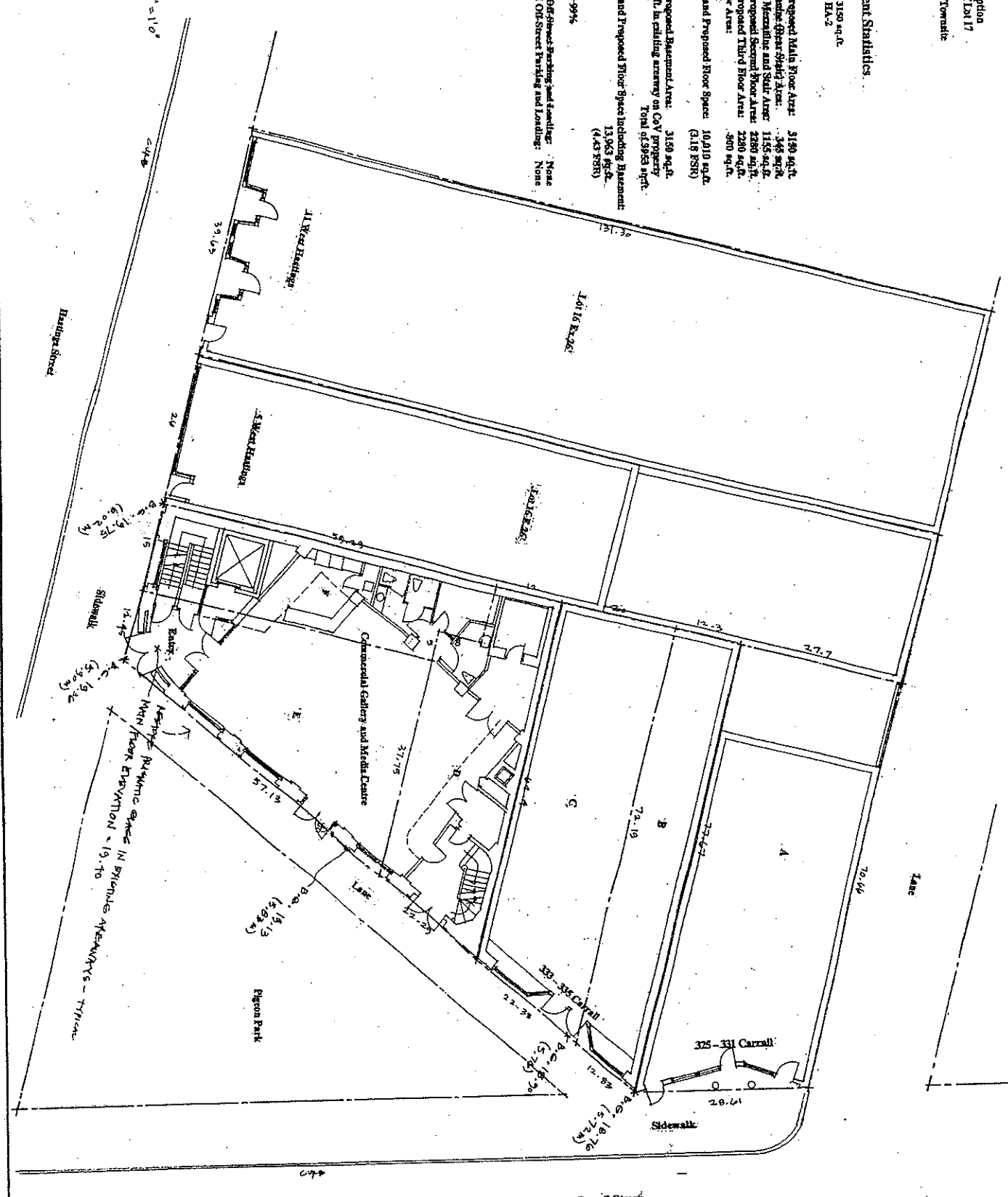
Total Existing and Proposed Floor Space including Basements: 13,963 sq. ft.
(4,437 ESN)

Site Coverage: 99%

Total Excluding Off-Street Parking and Landings: None
Total Proposed Off-Street Parking and Landings: None

Site Plan

Scale: 1/8" = 1'0"



Design/Consultant/Author:
S. R. McEwen Architects
1085 West 4th Avenue
Vancouver, British Columbia V6J 5K1
Tel: (604) 735-0300
Fax: (604) 735-0300

Coordinates

Dates / Revisions

- ▲ 14-VUP 19A
Prelim
27 February 2004
- ▲ 15-VUP 19A
Revision
30 January 2004
- ▲ 16-VUP 19A
Revised P/E
20 November 2004
- ▲ 17-VUP 19A
Final P/E
20 November 2004
- ▲ 18-VUP 19A
Final P/E
20 November 2004
- ▲ 19-VUP 19A
Final P/E
20 November 2004
- ▲ 20-VUP 19A
Final P/E
20 November 2004

Project

#11 Media Centre
1 West Heritage Street
Vancouver B.C.

Registered
Professional
2000
Commercial Services Society

Drawing

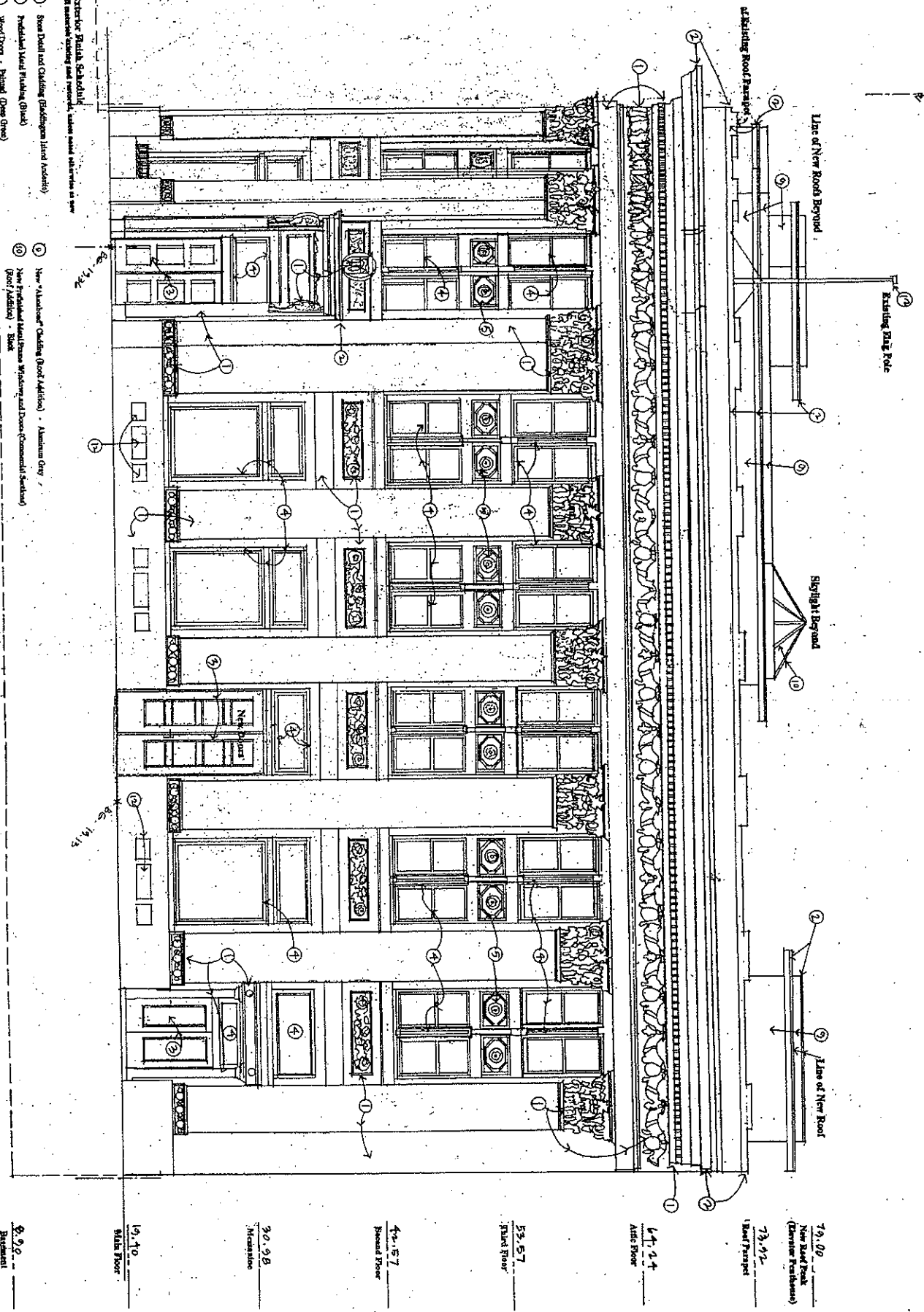
Site Plan and
Development
Statistics

Scale: 1/8" = 1'0"

A-1

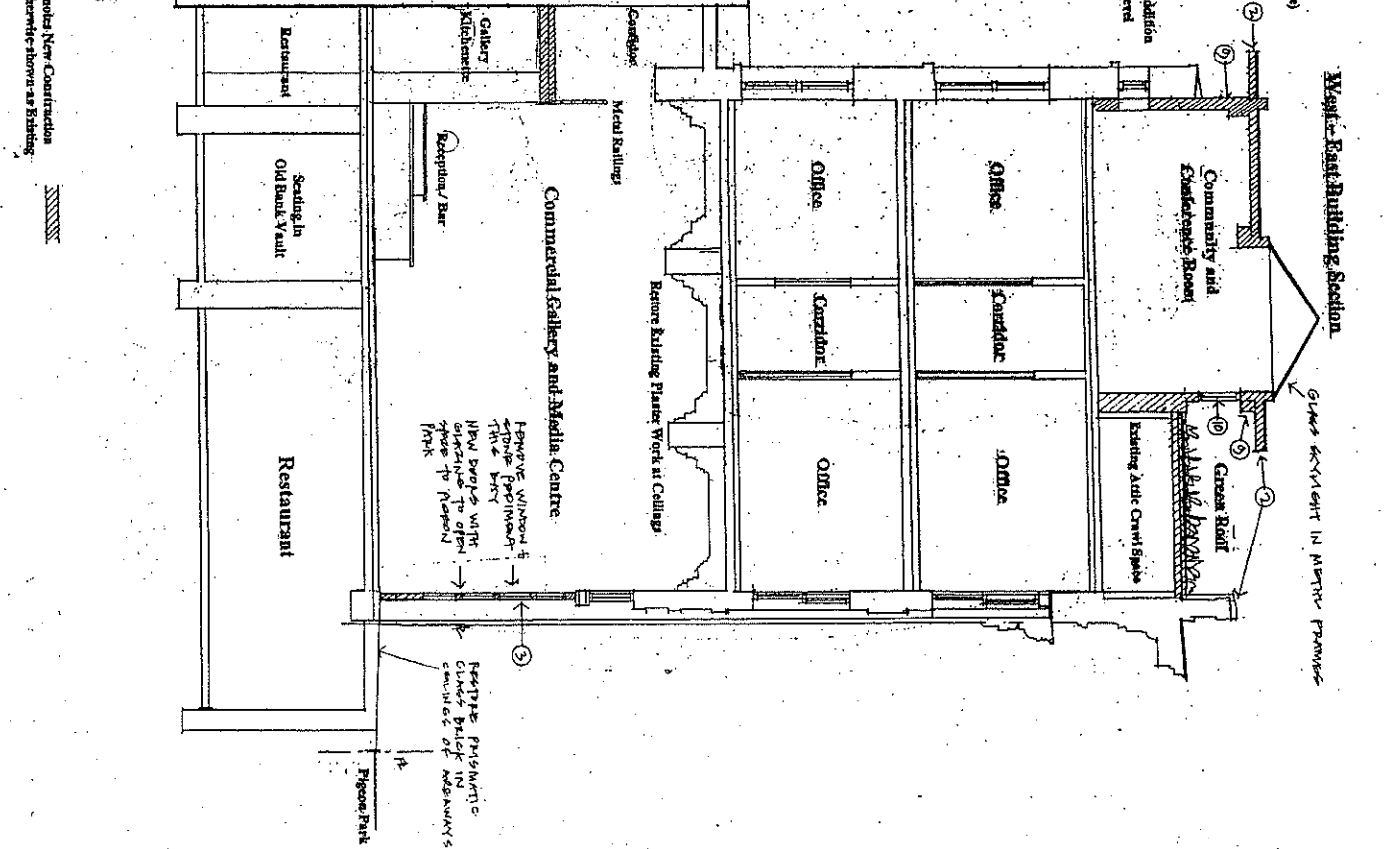
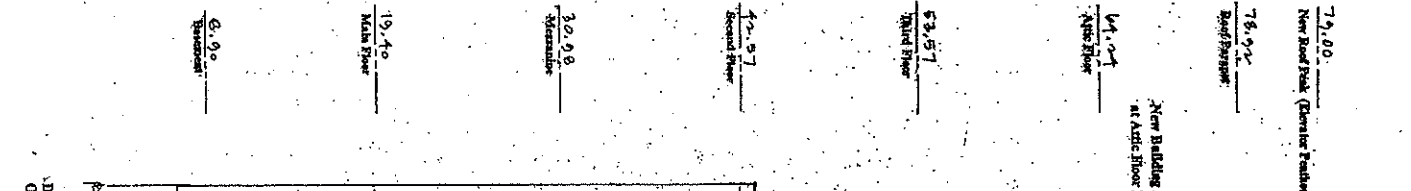
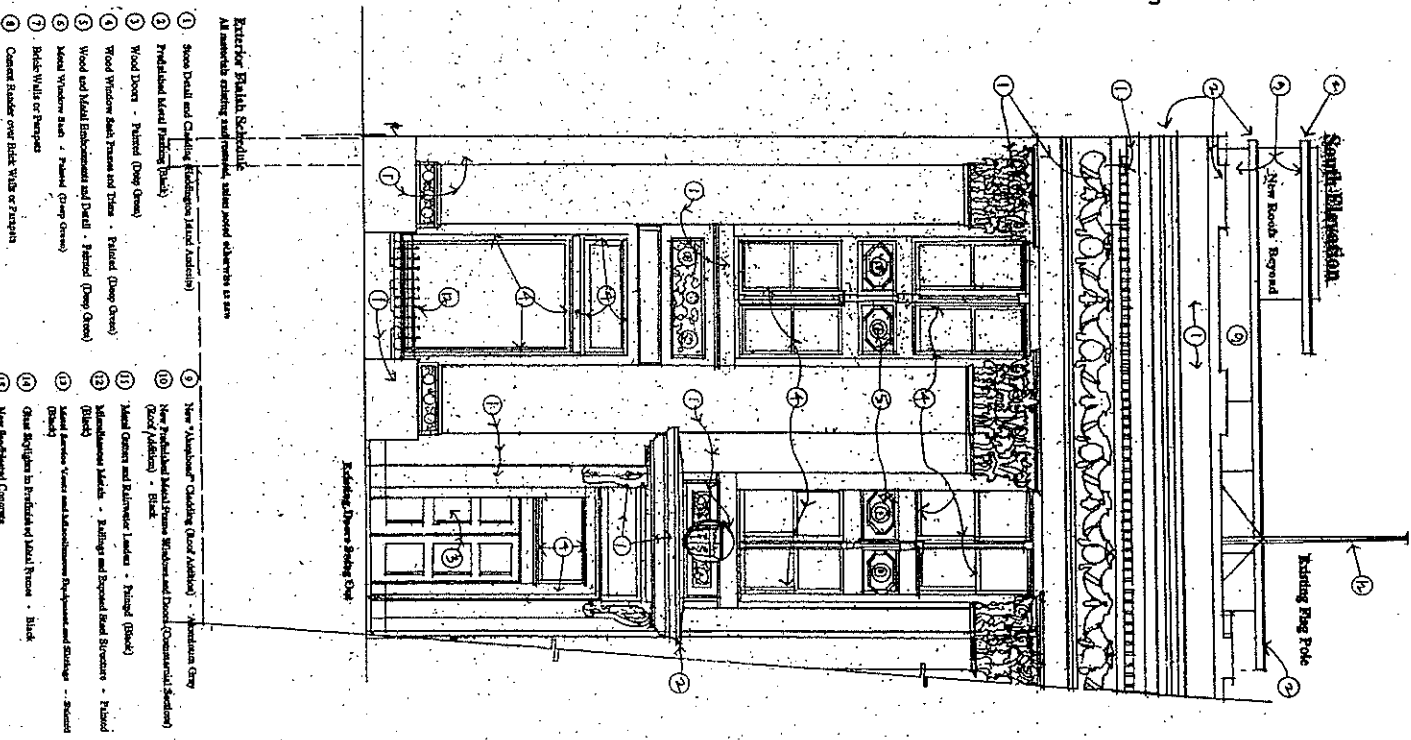
Revision





- Exterior Details Schedule**
All materials, finishes and hardware, unless noted otherwise, as per:
- 1 Stone Detail and Castling (Radisson Hotel Assets)
 - 2 Finished Metal Finishes (Black)
 - 3 Wood Doors - Painted (Deep Green)
 - 4 Wood Window Sash Frames and Trims - Painted (Deep Green)
 - 5 Wood and Metal Hardware and Detail - Painted (Deep Green)
 - 6 Metal Window Sash - Painted (Deep Green)
 - 7 Black Walls or Partials
 - 8 Concrete Sill over Black Walls or Partials
 - 9 New "Austere" Castling (Good Addition) - American Gray
 - 10 New Finished Metal Sash Windows and Doors (Commercial Standard) (Good Addition) - Black
 - 11 Metal Corners and Trimmed Jambes - Painted (Black)
 - 12 Metal Hardware - Mulling and Special Steel Hardware - Painted (Black)
 - 13 Metal Sashes, Vases and Hardware Hardware and Straps - Stainless (Black)
 - 14 Glass Sillings in Finished Metal Frames - Black
 - 15 New Stuccoed Corners

<p>Contractor: 1500 West 1st Avenue Vancouver, British Columbia V6J 1K1 Tel: (604) 253-3399 Fax: (604) 253-3399</p>	<p>Contractor: 1500 West 1st Avenue Vancouver, British Columbia V6J 1K1 Tel: (604) 253-3399 Fax: (604) 253-3399</p>	<p>Architect: 1500 West 1st Avenue Vancouver, British Columbia V6J 1K1 Tel: (604) 253-3399 Fax: (604) 253-3399</p>	<p>Project: #1 Media Centre 1 West Hastings Street Vancouver B.C.</p>	<p>Drawings: East Elevation</p>	<p>Scale: 1/4" = 1'-0"</p> <p>Revisions: A-11</p>
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<p>1 Steel Detail and Casting (Exterior) (Steel Detail)</p> <p>2 Prefabricated Metal Panels (Steel)</p> <p>3 Wood Doors - Painted (Deep Green)</p> <p>4 Wood Windows (Dark Painted and Trim - Painted (Deep Green)</p> <p>5 Wood and Metal Embellishments and Detail - Painted (Deep Green)</p> <p>6 Metal Window Sills - Painted (Deep Green)</p> <p>7 Brick Tiles or Tiles</p> <p>8 Concrete Slab over Brick Walls or Frames</p> <p>9 New "Aluminum" Cladding (Steel Detail) - Aluminum Gray</p> <p>10 New Prefabricated Metal Panels (Metal and Wood - Commercial Steel)</p> <p>11 Metal Doors and Painted Ladders - Painted (Dark)</p> <p>12 Metal Windows and Metal Embellishments and Detail - Painted (Dark)</p> <p>13 Metal Window Sills and Metal Embellishments and Detail - Painted (Dark)</p> <p>14 Glass Skylight in Section of Metal Frame - Black</p> <p>15 New Roofed Concrete</p>	<p>1600 sq. ft. Function</p> <p>377 sq. ft. 2007</p> <p>1 sq. ft. 2007</p> <p>30 sq. ft. 2007</p> <p>150 sq. ft. 2007</p> <p>150 sq. ft. 2007</p> <p>50 sq. ft. 2007</p> <p>21 sq. ft. 2007</p> <p>1 sq. ft. 2007</p> <p>1 sq. ft. 2007</p> <p>25 sq. ft. 2007</p>	<p>Project: #1 Media Centre</p> <p>1 West Hastings Street, Vancouver, B.C.</p> <p>Architect: Pichler, Englund, Boyd, Conroy, Architects</p> <p>Scale: 1/4" = 1'-0"</p> <p>Sheet: A-10</p>
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