CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 8, 2006 Author: Gerry McGeough Phone No.: 604.873.7091

RTS No.: 05665 CC File No.: 08-2000-51 Meeting Date: March 21, 2006

TO: Vancouver City Council

FROM: The Director of Current Planning in consultation with the Director of Real

Estate Services

SUBJECT: Woodward's Heritage Revitalization Agreement - 101 West Hastings Street

(100 West Cordova Street) DE 409942

RECOMMENDATION

- A. THAT Council authorize the City to enter into a Heritage Revitalization Agreement for the site at 101 West Hastings Street (100 West Cordova Street) to:
 - secure delivery and on-going maintenance of the Heritage Conservation Plan as defined in Development Application DE 409942 and generally described as:
 - o rehabilitation, protection and long-term conservation of the 1903 -1908 portion of the Woodward's Site and the "W" sign and its support structure;
 - salvaging and re-use of architectural components of the Woodward's Site in the new development;
 - o cultural memories program;
 - o interpretive program;
 - o interpretive mural; and
 - historical inspiration for the design of the new developments on the site.
 - vary the Development Cost Levy by-law to reduce the rate to \$0.01/m²;
 and
 - grant a density bonus of 187,000 sq. ft. restricted to transfer off site.
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment a by-law to authorize the Heritage Revitalization Agreement.

- C. THAT Council require covenants to:
 - make the bonus density not be available for transfer until the work in the Heritage Conservation Plan as defined in Development Permit DE 409942 is complete to the satisfaction of the Director of Planning, unless the owner secures completion of such work by a separate agreement;
 - require the retention of a qualified heritage conservation architect to provide professional services relative to all aspects of the Heritage Conservation Plan, including site supervision of all interior and exterior heritage conservation work; and
 - secure the daily hours of operation and protocols for both the illumination and rotation of the "W" sign.

And all such further agreements that are, in the opinion of the Director of Legal Services in consultation with the Director of Planning and the Managing Director of Cultural Services, required to carry out and fully affect the intent of this Report.

- D. THAT, subject to approval of RECOMMENDATION A, Council instruct the Director of Legal Services to prepare:
 - a Heritage Property Tax Exemption by-law which is not to exceed a value of \$8,140,000 or a period of ten (10) years for the commercial floor areas, whichever comes first; and
 - a Heritage Property Tax Exemption by-law which is not to exceed a value of \$3,500,000 or a period of three (3) years for the market residential floor areas, whichever comes first.
- E. THAT, if the Heritage Property Tax Exemptions receive the assent of electors, or are deemed approved by the electors under the Vancouver Charter, the Director of Legal Services bring forth two Heritage Property Tax Exemption By-laws, one for the commercial legal parcels and one for the market residential legal parcels, providing that:
 - if issuance of the occupancy permit or, if more than one, of the last occupancy permit with respect to the improvements for a commercial legal parcel or a market residential legal parcel, authorized under development application number DE 409942, occurs:
 - o before October 31st, the commencement date for the Heritage Property Tax Exemption for that legal parcel is to be January 1st of the next calendar year; and
 - o on or after October 31st, the commencement date for the Heritage Property Tax Exemption for that legal parcel is to be January 1st of the calendar year after the next calendar year.
 - if the applicant for the development permit does not fulfil, or cause to be fulfilled, all requirements necessary to obtain issuance of an occupancy permit or, if more than one, the last occupancy permit with respect to the work authorized for a commercial legal parcel or a market residential legal

parcel pursuant to development application number DE 409942 within 60 months after the enactment date of the by-law, the by-law will expire with respect to such legal parcel.

- F. THAT, subject to the approval of Recommendation A, Council authorizes two façade grants up to a total of \$100,000 (\$50,000 for each principal façade) with funding to be provided from the 2005 Capital Budget.
- G. 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 and the Managing Director of Cultural Services.

CITY MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A through G.

The General Manager wishes to note that there is a companion report to this one. While a heritage bonus of 17 372 m² (187,000 sq. ft.) is recommended in this report, the companion report recommends an amenity bonus of 16 630 m² (179,000 sq. ft.) through the CD-1 rezoning of the site to facilitate mixed use in exchange for securing delivery and use of indoor and outdoor public amenity spaces.

COUNCIL POLICY

Transfer of Density Policy and Procedure

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

Woodward's Urban Design Guidelines, adopted on March 23, 2004

Approval of Recommendation F (façade grants) requires support of two-thirds of the votes cast, pursuant to Section 206(2) (a) of the Charter.

SUMMARY AND PURPOSE

This report seeks Council's approval of the Heritage Conservation Plan for the Woodward's Site and corresponding municipal incentives under the Heritage Building Rehabilitation Program (HBRP) to make conservation economically viable. This entails the City entering into a Heritage Revitalization Agreement (HRA) with the owner to grant DCL relief, establish transferable bonus density and to secure the delivery of the Heritage Conservation Plan that includes, in part, the rehabilitation and long-term conservation of the "W" sign and the 1903-1908 Woodward's Building. To off-set the remaining shortfall costs it's also recommended that Council provide two façade grants, a 10-year Heritage Property Tax Exemption for the commercial floor areas and a 3-year Heritage Property Tax Exemption for the residential floor areas.

BACKGROUND

On September 29, 2004, City Council selected Westbank Projects Corp. and Peterson Investment Group Inc. (collectively called Westbank in this report) to be the developers of the City-owned Woodward's Site. Council authorized that agreements be negotiated for the sale of the Woodward's Site to the developers and for the proposed development of the site. Council also directed the proponent and staff to revise the project design to improve its scale and the proportional relationships of the tower and street-walls to the historic precinct, to improve heritage conservation, and to improve general accessibility and clarity of public and semi-public access to the public open space, both open-air and covered.

In the Administrative Report entitled "Woodward's - 101 West Hastings Street: Design Development Update", dated September 6, 2005, the Woodward's Steering Committee reported to Council on the expanded project footprint through the acquisition of land immediately to the west and several other factors that have influenced the design development and expected financial performance of the Woodward's Project:

- the heritage philosophy has evolved to include not only physical attributes of the original Woodward's store, but also the cultural and sentimental memories this important city icon has evoked in Vancouver residents;
- the number of non-market housing units has been increased from 100 to 200, with ongoing negotiation to possibly increase this number to 236 units;
- the amount of market housing has been increased to assist in making the project financially viable;
- the program development for Simon Fraser University's School for the Contemporary Arts was refined;
- the public open space and plaza areas were enlarged;
- the retail layout was revised; and
- construction costs have increased.

On September 13th, City Council approved the recommendations of this report, which provided for changes in project design and funding, the proposed increase in project footprint, and the inclusion of abutting City lanes in the project footprint.

On October 24th, the Vancouver Heritage Commission supported the revised Heritage Conservation Plan for the Woodward's Site while expressing regret about the loss of the post 1908 façades. Development Application DE 409942 was subsequently submitted on December 5, 2005 for the proposed redevelopment of the Woodward's expanded site. The Heritage Commission and Urban Design Panel both unanimously supported the application. On February 27, 2005 the Development Permit Board approved the development application, subject to a number of conditions. Included in the development application is a request for financial incentives through the Heritage Building Rehabilitation Program (HBRP).

The Program was implemented in 2003 as a five-year program as a key component of the strategy to revitalize the DTES (2003-2008) to initiate economic activity in the DTES 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 grants;
- Heritage Property Tax Exemptions; and
- Transferable bonus density.

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.

DISCUSSION

Development Proposal: Development Application DE 409942 submitted by Westbank's architect Henriquez Partners Architects proposes to develop the Woodward's Site with a mixed-use residential, retail, office and institutional use. See context map Appendix A. The project is comprised of four buildings framing a public plaza and two levels of underground parking. One of the four buildings is the 1903-1908 portion of the existing Woodward's Site (referred to as the 1908 Woodward's Building in this report). It is located in the south-east corner of the site fronting on Hastings and Abbott Streets. The 1908 Woodward's Building will house the following uses:

- Retail use at grade;
- Non-profit community (office) uses and other purpose built space on the 2nd through 5th floors; and
- A child daycare facility on the 6th floor with an adjacent outdoor play area (roof deck).

The development application contains a six part Heritage Conservation Plan generally described in Appendix C that includes, in part, the rehabilitation and long-term conservation of the 1908 Woodward's Building and "W" sign. The application also requests the HBRP incentives recommended in this report in order to make delivery of the Plan economically viable.

Heritage Value: The entire Woodward's Site is listed on the Vancouver Heritage Register and is municipally designated. The Woodward's Site is significant because of Vancouverites' enduring loyalty to the store, and retail experience it has provided, because of its association with the Woodward's family, and for being one of Vancouver's best examples of classic department store retailing. The Statement of Significance is found in Appendix B.

The Woodward's Store as it exists today is the result of various additions over time. In the planning process for the redevelopment of the site, civic disciplines were asked to prioritize objectives for the site. In the case of Heritage conservation, Urban Design Guidelines adopted by Council established that the 1908 Woodward's Building and the "W" sign are first priorities and needed to be retained. The 1908 Woodward's Building marks the founding of the Woodward's Store and is also significant because the 1903 portion was designed by noted architect W.T Whiteway before receiving the one-storey addition in 1908. The 1908 Woodward's Building is comprised of the three most easterly structural bays along Hastings Street and the six most southerly structural bays along Abbott Street.

Council Directions: To help guide both the RFP and Development Application for the redevelopment of the Woodward's Site, Council adopted the Woodward's Urban Design Guidelines on March 23, 2004. On September 29, 2004, Council selected Westbank as the developer for the Woodward's project and as part of its approval directed the applicant and staff to address a number of development conditions applicable to the Westbank proposal including improving the heritage conservation.

Proposed Heritage Conservation Plan: The goal of the applicant's Heritage Conservation Plan is to tell the stories of the Woodward's Store, its people, and its neighbourhood - the visionary founders, the retail innovations, the shopping experience, the people who worked and shopped here for nearly a century, and the residents and leaders who led the redevelopment. In doing this, the redevelopment will commemorate a wide range of architectural, historical, social, and archaeological values.

The Heritage Conservation Plan, comprised of both physical and intangible conservation, was developed from the heritage values identified in the Statement of Significance written for the City of Vancouver. The Conservation Plan will allow the visitor to experience what is important about the form, the idea, and the associations of the historic place. The six parts of the Heritage Conservation Plan are summarized as follows and described in more detail in Appendix C:

- A. Physical conservation
 - 1. Rehabilitation of 1908 Woodward's Building and "W" Sign
 - 2. Preservation and re-use of architectural components
- B. Intangible conservation and interpretation
 - 3. Cultural memories
 - 4. Interpretive program
 - 5. Interpretive mural
 - 6. Historical inspiration in the design of the new structures on the site

1908 Woodward's Building and "W" Sign: The overall conservation approach for the 1908 Woodward's Building and "W" Sign is rehabilitation and is comprised of the following actions for specific building components:

Exterior - Preserve the exterior features as found, with only a few expectations:

- Reinstall lower cornice capitals and fragments of the upper cornice that are in storage and replicate missing components to achieve the appearance in the mid-1950, the high point of both Woodward's and Hastings Street;
- Construct new west and north elevations. The original west and north elevations were removed in the 1920, when the Woodward's store expanded around them. These two elevations will be contemporary in character and respectful of the historical design;
- Construct a new elevator core and a new penthouse that are contemporary in design, while being respectful of the historical form. This will also involve removing a portion of the roof, to allow for outdoor play for the daycare centre; and
- Rehabilitate the shop fronts to accommodate new commercial retail units.

Interior - Rehabilitate the interior to allow an efficient contemporary use while retaining those features that define the heritage character (e.g. the columnar grid and the wood structural system).

"W" Sign - Preserve and restore the "W" Sign and the metal tower that supports it, and move the sign to the top of the 1908 Woodward's Building, aligned with the West Cordova Street axis. The present form of the "W" Sign is unchanged from 1956, thereby maintaining consistency between the sign and the building. Recommendation C calls for a covenant to secure the daily hours of operation and protocols for both the illumination and rotation of the "W" Sign.

Review of the Heritage Conservation Plan: This application meets all the heritage 'requirements' set out in the Urban Design Guidelines which include restoring the 1908 Woodward's Building and the "W" Sign, its lighting, and supporting tower. It also meets the Guidelines' recommendations of making new development on the site compatible, but distinguishable from the heritage building.

The one provision of the Urban Design Guidelines that is not being met is the 'recommendation' to retain as many other portions of the existing Woodward's street façades built after 1908. Westbank's Proposal retained substantial portions of the Hastings Street, Abbott Street, and Cordova Street façades, and in selecting Westbank, Council called for improved heritage conservation. Despite these good intentions, the substantial changes to the site program introduced since September 2004 make retaining façades built after 1908 physically non-viable. The floor-to-ceiling height requirements of the large retail tenants, SFU, and the non-market housing could not be reconciled with the floor levels and window openings of the existing building. The developer is able to retain and adaptively reuse the 1908 Woodward's Building as it is separated out for specific City programming that is compatible with the floor heights, layout and window openings of the building. Both staff and the Heritage Commission regret the loss of the remaining heritage façades, but acknowledge the community benefit the increased programming brings to the goal of revitalizing the DTES heritage precinct.

As an alternative approach to address Council direction to improve the heritage component of the project, the conservation approach has evolved substantially to include not only other physical attributes of the original Woodward's store, but also the cultural and sentimental memories this important City icon evokes in Vancouver residents. The site will therefore commemorate a wide range of symbolic, architectural, historical, social, and archaeological values.

Staff's and the Heritage Commission's assessment is these intangible heritage components add significantly to the project as they help to preserve the many heritage values that are unique to the Woodward's Site. Together, the physical and intangible heritage elements create a supportable conservation plan.

Associated Covenants: The associated agreements, outlined within Recommendations C, will:

 make the bonus density not be available for transfer until the work in the Heritage Conservation Plan as defined in Development Permit DE 409942 is complete, unless the owner secures completion of such work by a separate agreement;

- require the retention of a qualified heritage conservation architect to provide professional services relative to all aspects of the Heritage Conservation Plan, including site supervision of all interior and exterior heritage conservation work; and
- secure the daily hours of operation and protocols for both the illumination and rotation of the "W" sign. Staff will negotiate these protocols with the developer and their marketing consultant with the goal of balancing the civic interest of having the "W" sign continue to be a beacon in the community, while ensuring it does not unduly impact the livability of surrounding residential units.

COMPENSATION PACKAGE & FINANCIAL IMPLICATIONS

In order to make the Heritage Conservation Plan economically viable, the owner is seeking compensation through the Heritage Building Rehabilitation Program (HBRP), consisting of two façade grants, Heritage Property Tax Exemption, variance to the DCL by-law and transferable bonus density (see table below). In accordance with Council's HBRP Policies and Procedures, staff reviewed the applicant's cost calculation and undertook an independent analysis. Staff conclude that the total cost of \$23,605,000 is justified for compensation in the following manner:

101 W Hastings				
	Category	PV Value/\$	Accrual Value \$	Bonus Density
Federal Government Incentive	Federal Historic Places Initiative (HPI)*	\$0 to \$1,000,000		
Heritage Building Rehabilitation Program (HBRP) Incentives	Façade grants (2 @ \$50,000)	\$100,000		
	Residential Property Tax	\$3,000,000	\$3,500,000	
	Commercial Property Tax	\$5,780,000	\$8,140,000	
	Notional Residual Density	\$0		
	DCL's Relief	\$3,330,000		
	Transferable Bonus Density	\$4,000,000		100,000 sq. ft.
		\$7,395,000		87,000 sq. ft.
	Total Compensation \$ (Shortfall Cost Compensation)	\$23,605,000		

Table - Breakdown of Shortfall Cost Compensation

Federal Government Incentive: Part of the federal Historic Places Initiative (HPI) is a 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. There is uncertainty if the 1908 Woodward's Building will qualify under this program given the majority of the building will City-owned and not owned by a commercial building owner for the five years following project completion. The HRA has therefore been structured like all similar HBRP HRAs, such that any federal grant secured by the developer will result in a corresponding reduction in the total amount of density available for transfer. This leaves the developer whole, should the grant not be realized.

^{*} Municipally owned sites are not eligible for federal grants see following section.

Façade Grants: The 2003-2005 Capital Plan provides \$1.5 million for the façade grants program. Over the last two years, \$735,000 in grants have been approved for façade rehabilitation projects. Staff recommend approval of a grant up to a total of \$100,000 with funding to be provided from the 2005 Capital Budget for Façade Grants.

DCL Relief: To assist with conservation of heritage buildings in the past, Council has used the provision in the Vancouver Charter HRA section to vary the DCL by-law. A part of the compensation package to the developer, it is recommended that the DCL rate for the Woodward's Site be reduced to \$0.01/sq. ft. to generate \$3,330,000 of compensation.

Property Tax Exemption: The Vancouver Charter lays out the requirements for an enabling Heritage Property Tax Exemption By-law and notification process for the public. If Council approves the recommendation to provide a Heritage 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 Heritage Property Tax Exemption, and the 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 Heritage Property Tax Exemption By-law will stipulate the terms under which the recommended Heritage Property Tax Exemption will be provided.

The uniqueness of the Woodward's project and in particular the scale has raised two tax exemption issues that have come to light late in the HRA reporting process. The result is staff is recommending in this report two unique applications of the tax exemption policy specific to this project. The City's objective in providing each shortfall compensation component is to compensate the developer dollar for dollar for the shortfall cost they will bear, so that the project will be economically viable and he/she will be whole. In response to the first tax exemption issue, staff is recommending that the duration of tax exemptions for the residential components of the project be reduced from (10) ten years, as originally set out in the Developer's RFP submission, down to (3) three years. A regrettable reality of the current condo market is that the developer can generally not recover the value of strata unit tax concessions in the condo sales prices in the Downtown Eastside. Prospective purchaser's will compare the overall condo product quality and price in competing projects first, and then look to the sales tools being employed to "close the deal" in each such competing project. Both the City and Developer agree that the primary benefit of the residential tax concessions is to close such deals and further that it is unlikely that much, if any, premium in sales price will be recoverable from the market for these residential tax concessions. Staff have therefore concluded that a three (3) year residential tax exemption is a more appropriate period for achieving the "sales closing tool" objective. Staff, therefore, are recommending reducing the ten (10) year residential exemption period to no more than three (3) years at an estimated present value cost of \$3,000,000.

The commercial tax exemptions are treated differently because the owner will retain ownership and lease out the space under commercial leases. The commercial tax exemption, therefore, is realized as a direct economic benefit to the project economics. Accordingly, staff support the exemption of all commercial taxes for the maximum ten (10) years provided for under the Heritage Building Rehabilitation Program. The present value of these commercial exemptions is approximately \$5,780,000.

The second issue is the policy establishes that the value of the shortfall compensation of the tax exemption should be valued at the discounted value of the exemption and not the accrual value. However, to ensure that the project receives the equivalent of the "discounted values" over the duration of the tax exemption period, it is recommended that the limit on the total amount of tax exemption be the accrual value. This will ensure that the developer/project will be whole.

In the context of the scale of the tax exemption for this project and the limited time staff have had to assess any Program wide implications of these issues, it is proposed that this response be considered uniquely for the Woodward's project. Following on this project, staff will analysis the implications of these issues to future projects and the Program in general and report back if necessary with amendments to the HBRP policy.

The by-law will provide a Heritage Property Tax Exemption to the property for the period necessary to achieve the stipulated Heritage Property Tax Exemption for commercial floor area of \$8,140,000 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. The by-law will also provide a Heritage Property Tax Exemption to the property for the period necessary to achieve the stipulated Heritage Property Tax Exemption for residential floor area of \$3,500,000 after which the property will be fully taxable. Should the entire amount not be achieved in a three (3) year period, the exemption will expire and the property will become fully taxable.

For both property tax exemptions, if the last Occupancy Permit for a legal parcel is issued on or before October 31st, the exemption will be effective in the taxation year immediately following. If the last Occupancy Permit for a legal parcel is issued after October 31st, 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.

Transferable Density: The shortfall compensation offset through transferable density is broken down into two blocks. The first block of 100,000 sq. ft. is already pre-assigned to be transferred to a receiver site that has already been rezoned to absorb the density. This block of density was calculated at \$40.00 per sq. ft., because the density will be used as commercial floor space on the receiver site. The second block of density has been valued at \$85.00 per sq. ft. for reasons described in the following section.

Inventory of Unsold Heritage Density: Due to recent and anticipated fluctuations in the balance of unsold density in the heritage density 'bank', staff wish to provide a complete picture, and also describe the impact of the current HRA applications scheduled for public hearing in the very near future. In addition to the subject application at 101 West Hastings Street (Woodward's), these include applications at 51 East Pender Street and 1285 West Pender Street. Considering applications approved or submitted for both donor and receiver sites, as of March 7th there was 348,000 sq. ft. generated from donor sites and 353,000 sq. ft. earmarked for receiver sites, resulting in no floor area remaining in the bank. Approximately 132,000 sq. ft. is currently being held out of the bank by owners wishing to retain the density for their own future purposes.

The three HRA donor sites identified above, if approved, will add approximately 388,000 sq. ft. of heritage density to the bank (this includes 100,000 sq. ft. from Woodward's) resulting in a net balance of 383,000 sq. ft. in the density bank. This would represent a healthy balance, consistent with the balance reported to Council over the last two years, and is supported by staff. It is noted that 87,000 sq. ft. heritage density from Woodward's will effectively be held out of the bank by agreement that its value will be set at \$85,00 per sq. ft., significantly higher than the currently trading rate of approximately \$50.00 per sq. ft. It is further noted that the amenity bonus recommended in the companion report for an additional 179,000 sq. ft. will also have its value set at \$85.00 per sq. ft. and thereby also effectively keep it out of the bank. The total transferable density generated by the Woodward's Project will, therefore, be 366,000 sq. ft., of which only 100,000 sq. ft. will be trading in the bank.

In the next six months staff anticipate approximately 243,000 sq. ft. additional heritage density from donor sites (based on applications in process and application enquiries) and anticipate absorption of approximately 120,000 sq. ft. on receiver sites. In the 18 months following it is anticipated approximately 420,000 more sq. ft. of heritage density could be generated and approximately 355,000 sq. ft. absorbed. If the uptake proceeds as estimated this could result in a balance of unsold density of approximately 570,000 sq. ft. in two years time. The balance in the bank has been this high before - and through that period heritage projects continued and were not adversely affected.

Staff will continue to explore strategies to maintain a healthy balance of unsold density including, for example, negotiating the trading value with applicants and other means to manage the release of density from donor sites, and pursuing new policy initiative including expanding receiver site density potential. Staff will be reporting back to Council on this matter late in the year.

REVIEW AND NOTIFICATION

Public Consultation: Following standard notification procedures, 1,172 surrounding property owners and 55 local community groups were notified and invited to comment on the development application. Staff received three written responses. One respondent fully supported the project as proposed. One responded expressed concern that the tower form would set a precedent for other developments in the Historic Areas. The third respondent, an adjacent property owner, expressed concern about ensuring that the lane access to her building be maintained both during construction and in the future.

Staff will undertake the standard public hearing notification for the Heritage Revitalization Agreement By-law which will include legal and courtesy advertisements in newspapers and the mailing of a notification letter to property owners within a two-block radius of the site including neighbourhood community groups and associations.

Vancouver Heritage Commission Comment: The Heritage Commission reviewed the proposal at the pre-application stage on October 24, 2005 and again as the Complete Development Permit Application on February 13, 2006, wherein it resolved:

THAT, regarding the project at 101 West Hastings (Woodward's), the Vancouver Heritage Commission (VHC) supports, in general, the proposal as presented at the February 13, 2006 meeting, noting specifically the following:

- support for design development for Abbott and Cordova corner noting compatibility of scale of façade treatments, continuity and distinguishability in amount of brick denoting base of the building and wrapping around as a foil, and a preference for massing as expressed in the model presented at this meeting;
- support for the recognition of the corner juncture;
- support for design if new west and north walls of 1908 Woodward's Building using original grid construction as an inspiration for the new expression and use of extensive glazing;
- that the "W" sign tower may be more successful in a continuation of the language, recommending a light structure; and
- support for the \$23.2 million heritage incentive package noting the extensive level of conservation as follows:
 - A. Physical Conservation
 - 1. conservation of building and structures; and
 - 2. preservation of re-use of architectural components.
 - B. Intangible Conservation and Interpretation
 - 3. cultural memories;
 - 4. interpretive program;
 - 5. interpretive mural; and
 - 6. historical inspiration.

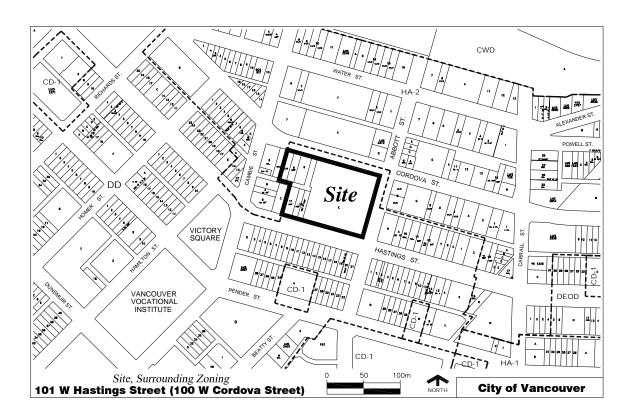
CARRIED UNANIMOUSLY (Councillor Anton not present for the vote)

CONCLUSION

The proposed Heritage Conservation Plan for the Woodward's Site is consistent with the City's Heritage Building Rehabilitation Program policies and procedures. The recommended façade grants, Heritage Property Tax Exemption, DCL relief and transferable density bonus would compensate the owner for the cost of implementing the proposed Plan which includes, in part, rehabilitation and long-term conservation of the 1908 Woodward's Building and the "W" sign. The recommended Heritage Revitalization Agreement and associated agreements will secure the City's interest of ensuring that the Heritage Conservation Plan is delivered in a timely manner and maintained in perpetuity.

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CONTEXT MAP - WOODWARD'S SITE



STATEMENTS OF SIGNIFICANCE - WOODWARD'S DEPARTMENT STORE

Description of Historic Place

The historic place comprises the entire Woodward's Department Store complex, including its roof-top sign, constructed in nine principal phases between 1903 and 1957, and occupying one-half of the downtown city block defined by West Hastings Street, West Cordova Street, and Abbott Street. The property is listed in the "C" category on the Vancouver Heritage Register.

Heritage Value

The Woodward's Department Store is significant because it is Vancouver's best example of the dominant way of organizing and marketing retail shopping as part of the materialism of the modern era, because of Vancouverites' enduring loyalty to the store and the retail experience it provided, and because of its associations with the Woodward family. The building, which reflects this larger retail trend, was the flagship store of the former Woodward's retail empire, which at its peak comprised 51 stores in British Columbia and Alberta. It embodies the vision of founder Charles A. Woodward; the leadership of his sons, the ambitiously expansionist and widely popular William Culham ('Billy') Woodward and the merchandising genius Percival Archibald ('Puggy') Woodward; and the decline under grandson Charles Nanby Wynn ('Chunky') Woodward. The department store's many retail innovations included the one-price sale (1910), the self-service 'groceteria' (1919), mail-order food packages, and the large attached parking garage (1930; demolished 2002). The store's paternalism made its committed employees feel like a 'family'.

The building was Vancouver's first large department store and reflects the consummation of C.A. Woodward's vision. Of greatest value are the original four-storey timber-framed building (1903), with brick façades at Hastings and Abbott Streets (by noted architect W.T. Whiteway, expanded to six floors in 1908); the 1925 wing, which extended the building to Cordova Street and the large illuminate "W" and the metal pylon and tower beneath it, and the northwest corner block of 1939, which completed the footprint and contained an auditorium (later used as a gymnasium).

The construction of the original store marked the rise of Hastings Street as Vancouver's central retail district, and its demise and closure in 1993 represented the retail shift to the southwest and suburban shopping centres. The store has become the rallying point for those concerned with the decline of the Downtown East Side.

Character-Defining Elements

- The exterior design of the original 1903-1908 store, which defined the character of the
 entire complex; particularly the use of reddish-brown brick, brick and stone piers and
 stone string courses at street level, giant pilasters, recessed spandrels and string
 courses, double-hung windows, rusticated stone sills, and classical entablature and
 cornice.
- The similarity of the architectural treatment of each phase, except that of 1946.
- The contrasting character of the 1946 addition, including its steel-framed, industrial-style windows on the west elevation.

- The original volume and west-facing windows of the auditorium.
- The building's mass and siting at the property lines, which cause it to dominate Hastings Street and the adjacent buildings.
- The centrally-located water tower and pylon surmounted by the highly visible "W" sign, including its illumination and the machinery that rotates it.
- The pedestrian orientation of the ground-level, including the mosaic tile and Woodward's signs in the pavement, the rows of doors with large push-plates at the customer entrances, the Woodward's signs above the entrances, the display windows with glazed transoms, and the Art Deco canopy and its suspension rods.
- The open columnar grid in the interior, which creates a large, flexible space.
- The traditional semi-public uses of the interior space, especially for retail shopping.

WOODWARD'S HERITAGE CONSERVATION PLAN -

Commonwealth Resource Management Ltd. and Henriquez Partners Architects

Overview

The heritage conservation program for Woodward's will tell the stories of the Woodward's Department Store, its people, and its neighbourhood - the visionary founders, the retail innovations, the shopping experience, the people who worked and shopped here for nearly a century, and the residents and civic leaders who led the redevelopment.

Heritage conservation commemorates a wide range of architectural, historical, social and archaeological values. Good conservation addresses all these values and more.

These stories of Woodward's will be related in a comprehensive program of physical and intangible conservation. They are developed from the heritage values that have been identified in the Statement of Significance written for the City of Vancouver. The conservation program will allow the visitor to experience what is important about the form, the idea, and the associations of the historic place. All work will follow Canadian and international principles of heritage conservation.

The six parts of the heritage conservation program are:

- A. Physical Conservation
 - 1. Rehabilitation of the 1908 Woodward's Building and "W" sign
 - 2. Preservation and Re-use of Architectural Components
- B. Intangible Conservation and Interpretation
 - 3. Cultural Memories
 - 4. Interpretive Program
 - 5. Interpretive Mural
 - 6. Historical Inspiration

A. Physical Conservation

- The physical conservation program is strategically directed at retaining tangible character-defining elements, rather than preserving large expanses of historic fabric for its own sake.
- The overall conservation approach combines *Preservation, Restoration and Rehabilitation.*
- The program respects the continuity of history of the Woodward's Department Store from its construction in the 1900s to its closure in the 1990s, while celebrating its apex in the mid-1950s.

Conservation of Buildings and Structures

Conserve the original 1903-1908 building at Hastings and Abbott

Exterior

- Preserve the exterior features as found.

- Restore a few missing components to achieve the appearance in the mid-1950s, the high point of both Woodward's and Hastings Street.
 - o Restore the upper cornice
 - o Replace the missing capitals beneath the lower cornice (many survive in storage)
- Rehabilitate the shop fronts to accommodate new commercial retail units.
- Construct new west and north elevations (which were removed when the store expanded around them), a new elevator core, and a new penthouse that are contemporary in design while being respectful of the historical form.

Interior

- Rehabilitate the interior to allow an efficient contemporary use while retaining those features that define the heritage character (e.g. the columnar grid and the wood structural system).
 - The wood structural system will be seismically and structurally upgraded, with new structural members and some partitions inserted.
 - o The way in which to achieve this, and the appearance to be produced, will be determined in the weeks ahead.

Conserve the 'W' sign

- Preserve the 'W' sign and the metal tower.
 - The 'W' will revolve and the illumination will be restored.
 - The present form is unchanged from 1956, maintaining consistency between the sign and the building.
 - o A new condition report notes severe corrosion in the tower; a conservation plan will be developed to address this.
- *Move* the sign to the top of the 1903-1908 building, aligned with the West Cordova Street axis.
 - o The sign cannot be retained in its present place, because it is over the open atrium
 - The sign will continue to sit atop a building.

Preservation and Re-use of Architectural Components

- Preserve and re-use selected architectural components from Woodward's in new contexts. They will likely include:
 - o Portions of the exterior walls, including the sheet-metal friezes, capitals and pilasters; they will be reassembled in the public lobbies.
 - Mosaic floors inscribed 'Woodward's'
 - o Georgian small-paned transom windows
 - o Part or all of some staircases.
 - Christmas window displays
 - o Hardware
 - Light fixtures

- Visitors will 'discover' small interpretive displays throughout the building, showcasing small artifacts. They may be in niches, authentic Woodward's display cases, or other spaces. The displayed artifacts will include things such as:
 - o Cash register
 - o Displays of Woodward's merchandise (e.g. stacked cans of Woodward's foods)
 - Signs advertising \$1/49 Day
- The extant architectural and moveable components have been photographed and are being inventoried.

B. Intangible Conservation and Interpretation

Cultural Memories

- Some new spaces will have historical names, to evoke memories and continue historic functions. Room shapes, finishes, or artifacts can reinforce the association. These may include:
 - o 'Woodward's Food Floor': the supermarket
 - o 'Woodward's Auditorium': a SFU performing arts space, perhaps with features that recall the original auditorium
- A 'Memory Room' will exhibit images, clips of oral history, interactive videos, mementos and stories.
 - Visitors will have opportunities to record their memories and experiences of Woodward's and the neighbourhood, from the founding of the store to the 1990s community 'squat' and the present redevelopment.
 - o The Memory Room may be located on the ground or second floor of the 1903-1908 building.
 - o It will be a history resource centre for the neighbourhood and the city.
 - An appropriate organization will operate the facility on a sustainable basis.

Interpretive Program

- A comprehensive interpretive program will tell the stories of Woodward's, the people, and the neighbourhood. It will provoke people to think about why all this is here and what it is about. The interpretive program will be didactic, evocative, and entertaining, with elements of discovery and surprise. It will include:
 - o Panels with text and pictures, placed at strategic locations
 - o Publications for sale
 - Self-quided and guided tours of the complex
 - o Perhaps allow visitors to access a self-guided tour with their cell phones, using local technologies developed [murmur]® or Mobile MUSE®.
 - o An appropriate organization might undertake and maintain the programming.

Interpretive Mural

- A large composite photographic glass mural by internationally renowned Vancouver artist Stan Douglas, approximately 40 by 60 feet in size, will be located on the west side of the atrium at the terminus of the Cordova Street axis.
 - The mural will depict activity on the ground floor of Woodward's in the mid-1950s, which has been identified as the high-point of retail activity at Woodward's.
 - Stan Douglas created the acclaimed photo-mural, Every Building on 100 West Hastings